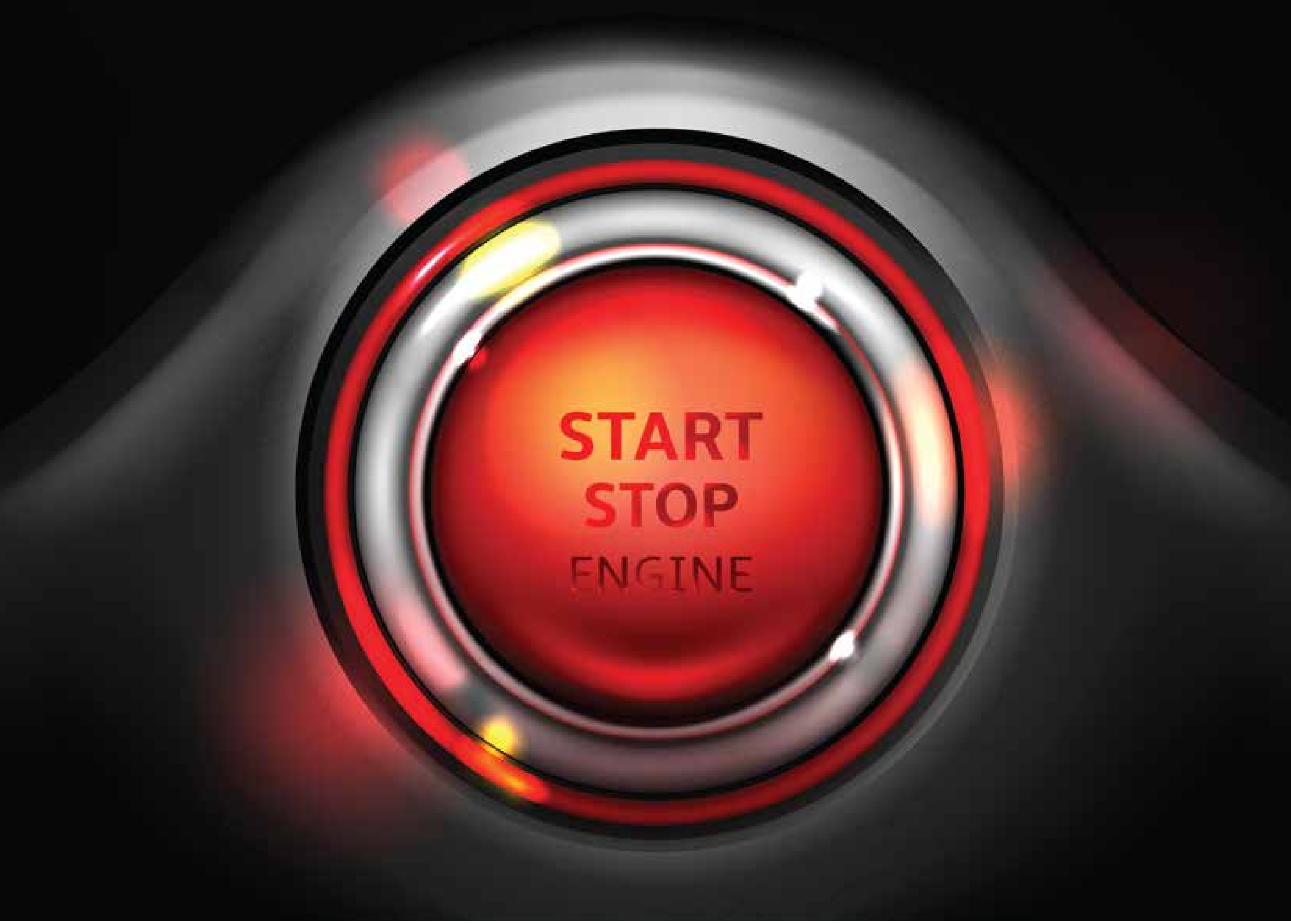
EXIDE®

Annual Report 2020



SUZUKI HONDA HINO

TOYOTA ISUZU DAEWOO

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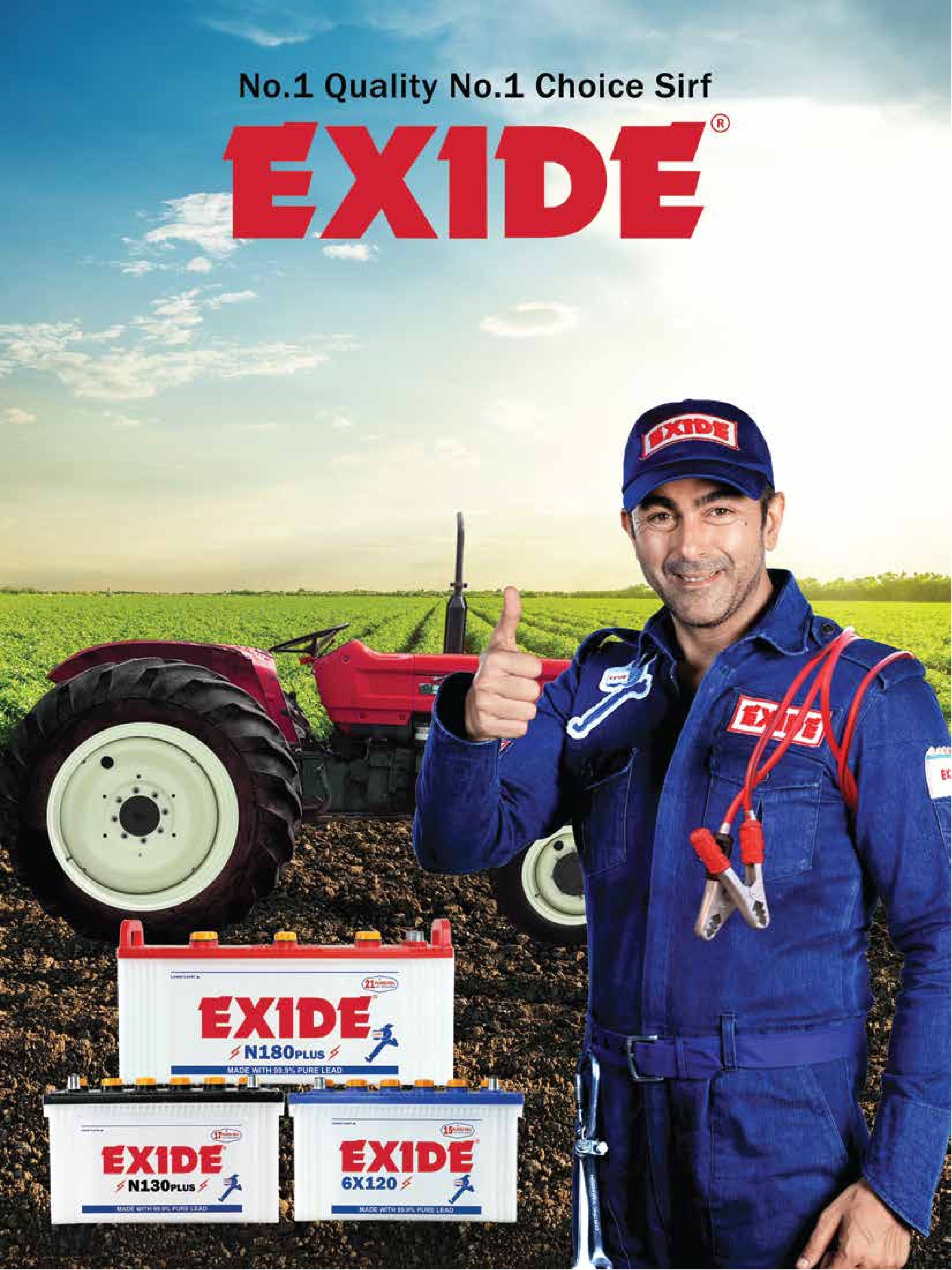
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EXIDE®
EXIDE
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MADE WITH 99.9% PURE LEAD
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6X120
MADE WITH 99.9% PURE LEAD

Vision

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

Mission

1. Continous improvement in workmanship, process, productivity and elimination of wastage by effective implementation of total quality control.

2. To be honest and fair with all partners namely shareholders, employees, suppliers, financial institutions, government and the customers.

3. To train and motivate employees for building up dedicated and loyal team.

4. To be good citizen and contribute effectively in betterment and prosperity of our country.

EXIDE®

ULTIMATE SOURCE OF POWER

Corporate Profile

Board Of Directors

Altaf Hashwani - Chairman
Arshad Shehzada - MD/CEO
Arif Hashwani
Hussain Hashwani
S. M. Faiq
Ayub Hameed
Mrs. Saira Soomro Najmi
S. Haider Mehdi

Chief Financial Officer

S. Haider Mehdi

Audit Committee

Ayub Hameed - Chairman
Altaf Hashwani
S. M. F aiq
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

A. F. Ferguson & Co.

Solicitors

Orr, Dignam & Co.

Registered Office

A-44, Hill Street, Off.
Manghopir Road, S.I.T.E., Karachi-
Pakistan.
Website: www.exide.com.pk
E-mail: exidepk@exide.com.pk

EXIDE®
MAINTENANCE FREE
CALCIUM+ TECHNOLOGY
BATTERY LAGAO AUR BHOOL JAO!
12 months WARRANTY
EXIDE
MF-65L
EXIDE
MF-55L
CHARGE INDICATOR
Displays the Charge Status
NO TOP-UP REQUIRED
Sealed Maintenance Free
www.exide.com.pk
/ExidePakistanLimited

Notice Of Annual General Meeting

Notice is hereby given that the Sixty Seventh Annual General Meeting of the shareholders of EXIDE Pakistan Limited will be held on Thursday, August 27, 2020 at 10.30 hours through video link facility from the Registered Office of the Company at A-44, Hill Street, Manghopir Road, SITE, Karachi to transact the following business:

Ordinary Business

1. To read and confirm minutes of the Extra Ordinary General Meeting of the Shareholder of the Company held on Friday, March 13, 2020.
2. To receive and adopt the Audited Statements of Accounts for the year ended March 31, 2020 together with the Directors' and Auditors reports thereon.
3. To appoint auditors for the year 2020-2021 and fix their remuneration
4. To elect seven directors as fixed by the Board in accordance with the provisions of Section 159(1) of the Companies Act, 2017 for a three-year term commencing from June 18, 2020. The retiring directors who are eligible for re-election are Messrs. Arif Hashwani, Altaf Hashwani, Hussain Hashwani, Ayub Hameed, Mrs Saira Soomro Najmi, S. Haider Mehdi and S. M. Faiq.

Special Business

5. To approve remuneration of the Chief Executive and other Working Directors of the Company for the period from July 01, 2020 to 30th June 2023.

A statement under Section 134(3) of the Companies Act, 2017 pertaining to Special Business is being sent to the members with this notice.

Due to prevailing circumstances of COVID-19 pandemic across the Country and in line with the direction issued to listed companies by Securities and Exchange Commission of Pakistan, vide its circular No.5 of 2020 dated March 17, 2020, the Company has decided to hold its Annual General Meeting through Zoom application a video link facility.

To attend the Annual General Meeting through Zoom application, members are requested to register their following particulars by sending an e-mail at shareholders@exide.com.pk

Folio / CDC Account No.	No. of shares held	Name	CNIC No.	Cell Number	E-mail address

Login facility will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5.00 p.m.) on August 20, 2020. The shareholders are also encouraged to send their comments/suggestions, related to the Agenda items of the Annual General Meeting on the above mentioned email address or WhatsApp/SMS on 0332-8225574 by the close of business hours (5.00 pm) August 20, 2020. Shareholders are required to mention their full name, CNIC No. and Folio/CDC Number for this purpose.

By order of the Board

S. HAIDER MEHDI

Director

Karachi: August 04, 2020

Notice Of Annual General Meeting

Notes

1 The Share Transfer Books of the Company will remain closed from Thursday, August 20, 2020 to Thursday, August 27, 2020 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar THK Associates (Private) Limited, First Floor, 40-C, Block 6, PECHS, Karachi - 75400 by close of business on Thursday, August 20, 2020 will be treated as being in time to attend and vote at the meeting.

2 A member, entitled to attend and vote at the meeting, may appoint a proxy in writing to attend and vote on the member's behalf. A proxy need not be a member of the Company. A corporate entity, being member, may appoint any person, regardless whether they are a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. The proxy holders are required to produce their original CNICs or original passports at the time of the meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least 48 hours before the time of the meeting.

3 The members are requested to notify the Share Registrar of any change in their address.

4 CDC account holders will further have to follow the guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

5 Any person who seeks to contest the election of Directors shall file with the Company at its Registered Office not later than fourteen days before the above said meeting, his/her intention to offer himself/herself for the election of the Directors in terms of Section 159(3) of the Companies Act, 2017 together with consent in Form-28, detailed profile and relevant declarations as required under the Code of Corporate Governance, 2019.

6 The Company has circulated Annual Financial Statements to its members through CD at their registered addresses. Printed copy of the same can be provided to the members upon request. The audited financial statements of the Company for the year ended 31 March 2020 have been made available on the Company's website www.exide.com.pk

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This Statement is annexed to the notice of the Sixty Seventh Annual General Meeting of the shareholders of EXIDE Pakistan Limited to be held on Thursday , August 27, 2020 and sets out the material facts concerning the following Special Business to be transacted at the Meeting for approval of the shareholders.

Notice Of Annual General Meeting

REMUNERATION OF THE CHIEF EXECUTIVE AND THE OTHER WORKING DIRECTORS OF THE COMPANY

A total amount of Rs. 55.0 million will be proposed as the aggregate remuneration of the Chief Executive and the other Working Directors of the Company for the period from July 01, 2020 to June 30, 2023 in the form of following resolution.

"RESOLVED that an aggregate sum of Rs.55.0 million (Rupees fifty five million only) be and is hereby approved as the Remuneration of the Managing Director/Chief Executive and the other Working Directors of the Company for the period from July 01, 2020 to June 30, 2023, covering their managerial remuneration, housing, utilities, bonus, provident fund and gratuity in addition to their entitlement to chauffeur driven company maintained cars, medical expenses, official entertainment expenses, residential utilities, telephone and security expenses and other fringe benefits as per rules of the Company. The above amount includes the meeting fee to be paid to a nominee Director and an Independent Director for attending the Board of Directors Meeting."

Messrs. Arif Hashwani, Arshad Shehzada and S Haider Mehdi are interested in this business to the extent of their respective remuneration.

STATEMENT UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF APPOINTMENT OF INDEPENDENT DIRECTORS.

Section 166 of the Companies Act, 2017 as amended vide the Companies (Amendment) Ordinance, 2020 provides that statement of material facts annexed to the notice of the general meeting called for election of directors shall indicate the justification of selecting the individual as a candidate for election as independent director. Accordingly it will be ensured that the independent directors to be elected will meet the criteria set out for independence under Section 166 of the Companies Act, 2017 and regulation issued thereunder and their names are listed on the data bank of independent directors maintained by Pakistan Institute of Corporate Governance.

نوٹ:

- کمپنی کے شیئرز کی کتابیں جمعرات مورخہ 20 اگست 2020 سے جمعرات 27 اگست 2020 جن میں دونوں دن شامل ہیں بند رہیں گی ۔ٹرانسفر کی درخواست کمپنی کے رجسٹرار THK Associates (Private) Limited جن کا پتہ پہلی منزل C-40 بلاک 6، پی ای سی ایچ ایس، کراچی ہے جمعرات 20 اگست 2020 کو ختم ہونے والے کاروباری دن تک موصول ہونے پر میٹنگ میں شرکت اور ووٹ ڈالنے کا اہل ہوگا۔
- اجلاس میں شرکت اور ووٹ ڈالنے کے حقدار ممبر کسی اور کو اپنی طرف سے شرکت اور ووٹ ڈالنے کیلئے تحریری طور پر پراکسی مقرر کرسکتا ہے۔ پراکسی کا کمپنی کا ممبر ہونا لازمی نہیں ہے۔ایک کارپوریٹ ادارہ رکن ہونے کے ناطے کسی بھی شخص خواہ وہ ممبر ہو یا نہیں پراکسی کے طور پر تقرر کرسکتا ہے۔کارپوریٹ اداروں کی صورت میں نمائندگی اور ووٹ ڈالنے کیلئے نامزد شخص کے دستخط کے نمونے کے ساتھ بورڈ آف ڈائیریکٹرز کی قرارداد / پاورآف اٹارنی کو مکمل پراکسی فارم کے ساتھ کمپنی میں جمع کیا جائے۔ پراکسی ہولڈر اپنے اصل شناختی کارڈ / پاسپورٹ میٹنگ کے وقت ساتھ لائے۔

  جائز پراکسیز اجلاس کیلئے مقررہ وقت سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرائی جاسکتی ہیں۔
- ممبران سے گزارش ہے کہ وہ اپنے ایڈریس میں کسی بھی قسم کی تبدیلی کے بارے میں شیئر رجسٹرار کو مطلع کریں۔
- سی ڈی سی اکاؤنٹ ہولڈر کو سیکیورٹیز اینڈ ایکسچینج کمیشن کے جاری کردہ سرکلر نمبر 1 بتاریخ 26 جنوری 2000 میں دی گئی ہدایات پر عمل کرنا ہوگا۔
- کوئی بھی شخص جو ڈائیریکٹرز کا انتخاب لڑنا چاہتا ہے مذکورہ بالا اجلاس سے 14 دن پہلے کمپنی کے رجسٹرڈ آفس میں اپنا الیکشن لڑنے کا ارادہ کمپنیز ایکٹ 2017 کی دفعہ 159(3) کے مطابق اور ساتھ میں فارم 28 مکمل پروفائل اور کوڈ آف کارپوریٹ گورننس 2019 کے مطلوبہ ضوابط کے ہمراہ جمع کرائیں۔
- کمپنی کے اپنے ممبران کو سالانہ مالی حسابات اپنے رجسٹرڈ ایڈریس پر سی ڈی کے ذریعے بھیجے ہیں۔اس کی طباعت شدہ کاپی ممبران کی درخواست پر فراہم کی جاسکتی ہے۔ 31 مارچ 2020 کو ختم ہونے والے سال کے کمپنی کے آڈٹ شدہ مالی حسابات کمپنی کی ویب سائٹ www.exide.com.pk پر بھی دستیاب ہے۔

کمپنی ایکٹ 2017 کے سیکشن (3)134 کے تحت بیان

یہ بیان ایکسائیڈ پاکستان لمیٹڈ کے شیئر ہولڈرز کی سرسٹھویں سالانہ اجلاس کے نوٹس سے منسلک ہے جو کہ 27 اگست 2020 کو بروز جمعرات کو منعقد ہوگا۔حصص یافتگان کی منظوری کیلئے میٹنگ میں خصوصی کاروبار کا معاہدہ کیا جائے گا۔

کمپنی کے چیف ایگزیکٹیو اور دیگر ڈائیریکٹرز کے معاوضات

کل رقم مندرجہ ذیل قرارداد کی شکل میں 01 جولائی 2020 سے 30 جون 2023 کے عرصے کیلئے کمپنی کے چیف ایگزیکیٹیو اور دیگر ورکنگ ڈائیریکٹرز کے مجموعی معاوضے کے طور پر 55 ملین تجویز کئے جائینگے۔

> "قرار پایا کہ مبلغ 55.0 ملین روپے مورخہ 01 جولائی 2020 سے 30 جون 2023 تک کی مدت کیلئے کمپنی کے مینیجنگ ڈائیریکٹر / چیف ایگزیکیٹیو اور دیگر ورکنگ ڈائیریکٹرز کے معاوضے کے طور پر منظوری دی جاتی ہے۔اس معاوضے کے علاوہ کمپنی کی طرف سے کاریں، بونس، پروڈنٹ فنڈ، گریجویٹی، علاج معالجے کے اخراجات، تفریحی اخراجات، ٹیلیفون اور سیکیورٹی کے اخراجات کمپنی کے قوانین کے مطابق ادا کئے جائینگے۔ مذکورہ رقم میں بورڈ آف ڈائیریکٹرز کے اجلاس میں شرکت کیلئے نامزد ڈائیریکٹر اور آزاد ڈائیریکٹر کو ادا کی جانے والی میٹنگ کی فیس بھی شامل ہیں۔"

جناب عارف ہاشوانی، ارشد شہزادہ اور سید حیدر مہدی اپنے اپنے معاوضے کی حد تک اس کاروبار میں دلچسپی رکھتے ہیں۔

کمپنیز ایکٹ 2017 کی دفعہ (3)166 کے تحت آزاد ڈائیریکٹرز کی تقرری

کمپنیز ایکٹ 2017 کی دفعہ 166 کے تحت بطور ترمیم شدہ کمپنیز (ترمیمی) آرڈیننس 2020 فراہم کرتا ہے کے ڈائیریکٹرز کے انتخاب کیلئے بلائے گئے اجلاس کے نوٹس سے منسلک مادی حقائق کے بیان سے فرد کو امیدوار کے طور پر منتخب کرنے کے جواز کی نشاندہی کی جائے گی بطور آزاد ڈائیریکٹر الیکشن کے مطابق یہ یقینی بنایا جائے گا کہ منتخب ہونے والے آزاد ڈائریکٹر کمپنیز ایکٹ 2017 کی دفعہ 166 کے تحت آزادی کے طے شدہ معیار پر پورا اتریں گے اور اس کے تحت جار کردہ ضابطے اور ان کا نام پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس کے زیر انتظام آزاد ڈائیریکٹرز کے ڈیٹا بینک میں درج ہیں۔

سالانہ اجلاسِ عمل کا نوٹس

اطلاع دی جاتی ہے کہ ایکسائڈ پاکستان لیمٹڈ کا سرسٹھواں سالانہ اجلاس عام مورخہ 27 اگست 2020 کو صبح 10:30 بجے بذریعہ ویڈیو لنک کمپنی کے رجسٹرڈ دفتر بمقام A-44 ہل اسٹریٹ منگھوپیر روڈ سائٹ کراچی میں منعقد ہوگا۔ اس اجلاس میں مندرجہ ذیل عمور زیر بحث لائے جائینگے۔

عام کاروبار

- جمعہ 13 مارچ 2020 کو منعقد ہونے والے غیر معمولی اجلاس عام کی کاروائی کو پڑھنا اور تصدیق کرنا۔
- 31 مارچ 2020 میں مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ اکاؤنٹس معہ ڈائیریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی اور منظوری۔
- سال 2020-21 کیلئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین۔
- کمپنیز ایکٹ 2017 کی دفعہ (1)159 کے مطابق تین سال کیلئے یعنی 18 جون 2020 سے 17 جون 2023 تک ڈائیریکٹرز کا انتخاب۔ سبکدوش ہونے والے ڈائیریکٹرز دوبارہ انتخاب کیلئے اہل ہیں ان کے نام یہ ہیں۔ عارف ہاشوانی، الطاف ہاشوانی، حسین ہاشوانی، ایوب حمید، مسز سائرہ سومرو نجمی، ایس حیدر مہدی اور ایس ایم فائق۔

خصوصی کاروبار

- کمپنی کے منیجنگ ڈائیریکٹر/ چیف ایگزیکیٹیو اور دیگر ورکنگ ڈائیریکٹرز کے معاوضے اور مراعات کی منظوری۔

کمپنیز ایکٹ 2017 کی دفعہ نمبر (3)134 کے مطابق خصوصی کاروبار کیلئے نوٹس اس نوٹس کے ساتھ منسلک ہے۔

ملک بھر میں موجودہ وبائی صورتحال COVID-19 کی وجہ سے سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات بذریعہ سرکلر نمبر 5 آف 2020 بتاریخ 17 مارچ 2020 سالانہ اجلاس عام کا انعقاد Zoom Application کی سہولت کے ذریعے کیا گیا ہے۔

ممبران سے گذارش کی جاتی ہے کہ جو ممبر سالانہ اجلاس عام میں شرکت کرنے کے خواہشمند ہیں وہ بذریعہ ای میل اپنی مندرجہ ذیل تفصیلات shareholders@exide.com.pk پر ارسال کریں۔

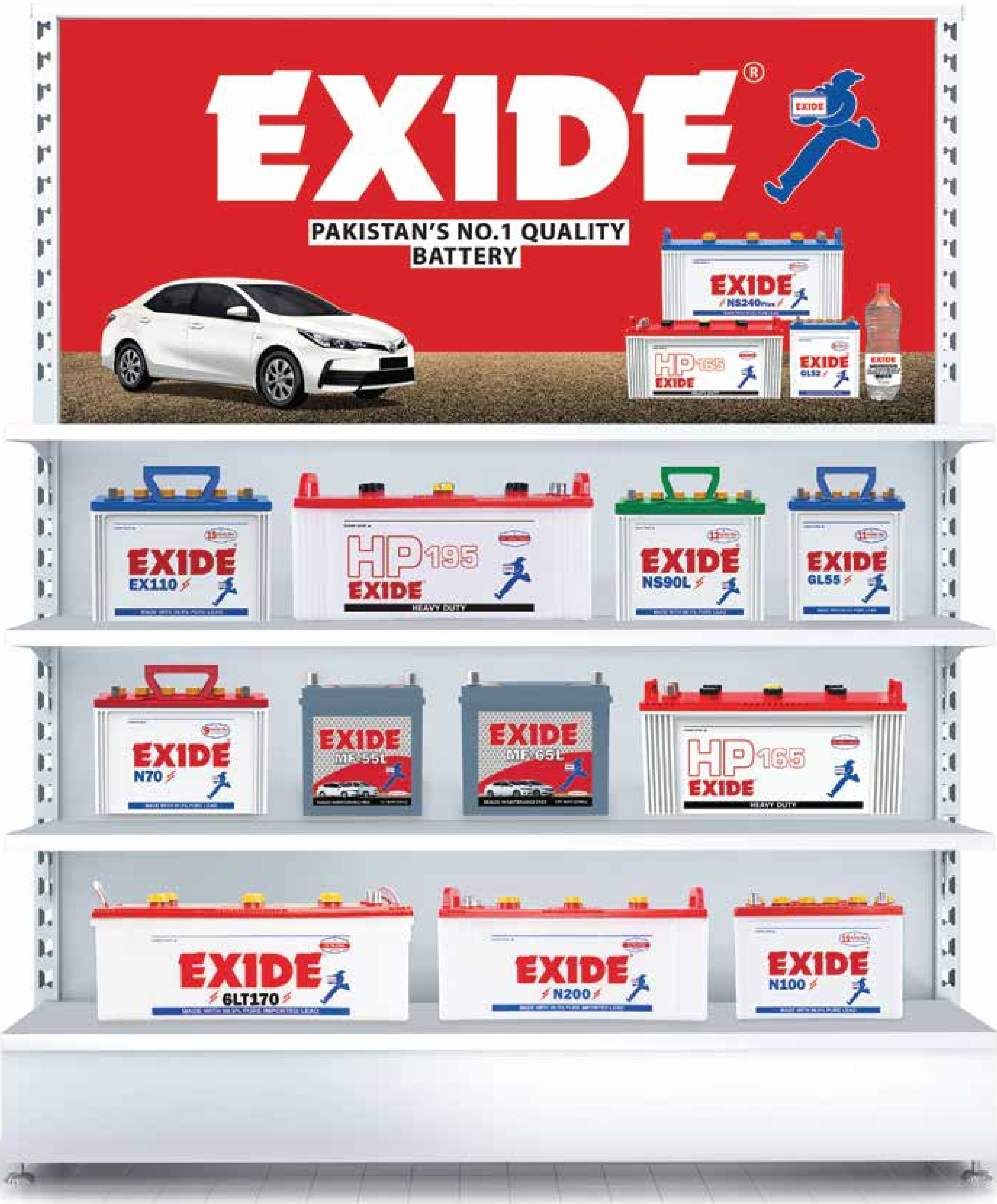
Folio / CDC Account No.	No. of shares held	Name	CNIC No.	Cell Number	E-mail address

گ ان کی سہولت ان حصص یافتگان کے ساتھ شیئر کی جائے گی جن کے ای میل جس میں تمام درخواست کی گئی تفصیلات 20 اگست 2020 کو کاروباری گھنٹے (شام 5 بجے) کے اختتام یا س سے پہلے دیئے گئے ای میل ایڈریس پر موصول ہوجائینگی۔ شیئر ہولڈرز سالانہ اجلاس عام کے ایجنڈے سے متعلق اپنے تاثرات/ مشورے بذریعہ ای میل یا واٹس ایپ/ ایس ایم ایس س نمبر 0332-8225574 پر 20 اگست 2020 کو کاروباری گھنٹے (شام 5 بجے) سے پہلے اپنے پورے نام، شناختی کارڈ نمبر اور فولیو/ سی ڈی سی نمبر کے ساتھ بھیج سکتے ہیں۔

حسبِ حکم بورڈ

ایس حیدر مہدی (ڈائیریکٹر)

کراچی: 04 اگست 2020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NS90L
EXIDE
GL55
EXIDE
N70
EXIDE
MF-55L
EXIDE
MF-65L
HP165
EXIDE
HEAVY DUTY
EXIDE
6LT170
EXIDE
N200
EXIDE
N100

Chairman's Review

I am pleased to welcome you to the 67th Annual General Meeting of your company and present you on behalf of the Board of Directors, the audited accounts of the company for the year ended March 31, 2020 along with my review on the performance of the company.

The Economy

Pakistan GDP growth rate plunged from 3.3 percent last year to -2.6 percent during the current fiscal year (2019-20) against the target of 3.5 percent. The growth momentum of the Pakistan economy became unsustainable due to the outbreak of Coronavirus pandemic, globally and also in Pakistan, as one of the obvious reasons having negative impact on the economic progress. In order to mitigate the adverse economic impact, the government has given Rs.1.2 trillion financial package to support the economic activities in the country. Also, The State Bank of Pakistan has brought down the policy rate by 6.25 percent to 7 percent to stimulate the economy.

Pakistan's trade deficit narrowed down significantly by 27 percent to US$ 23.18 billion - in the fiscal year 2019-20 from US$ 31.8 billion during the last year. The reduction in the deficit was primarily due to the suppression in imports from US$ 54.76 billion to US$ 44.57 billion (-19% YOY), however, the exports of the country declined by 7% YOY to US$ 21.39 billion from US$ 22.96 billion last year. Current account deficit in FY'20 sharply reduced by 78 percent (YOY) to US$ 2.97 billion, which is at 5-year low, as compared to US$ 13.43 in FY'19. Improvement in Current account is primarily due to reduced trade deficit coupled with 6.3 percent YOY increase in remittances. Remittances hit record high of US$ 23.12 billion in FY'20 compared to US$ 21.74 billion in FY'19. Inflation rose to 11.1 percent in June'20. Total foreign exchange reserves of the country amounted to US$ 18.79 billion as on July 3, 2020.

The Industry

Fiscal year 2019-20 proved highly disappointing for the entire auto sector as car sales plunged by 55 percent to 94,325 units from 209,255 units sold last year. Similarly, the sales of trucks and buses plummeted by 50 percent to 3,477 units from 6,948 units, jeeps sales declined by 50 per cent to 3,564 units, pickups by 47 percent to 12,064 units, tractor by 35 percent to 32,608 units and two/three- wheelers by 23 percent to 1,370,417 units. Demand of automobiles, especially cars, had plunged sharply due to steep rise in prices contributed by imposition of various taxes in the budget 2019-20, Rupee devaluation and soaring interest rates. This unprecedented rise kept the prospective buyers at sidelines as the prices went out of their budgets.

Production

Production activities were effectively planned and adjusted to cater to the market demand - both in terms of quantity and quality. Stress on quality control at all stages of production process was implemented with great vigour for further strengthening quality standards of the products of your company.

Sales

Net sales revenue of the company for the year under review decreased to Rs.8.722 billion, down by 8.26% percent, as compared to Rs.9.507 billion last year on account of decreased in sale volume of the Battery Division.

Profitability

Gross profit for the year under review decreased from Rs.972.2 million last year to Rs.727.1 million in the year under review - down by 25.2 percent - due to the margin eroded by high raw material cost and lesser sales revenue.

Selling and distribution expenses decreased by 19.2 percent due to decrease in net sales. Administration and general expenses decreased by 4% percent from Rs.121.9 million to Rs.116.4 million.

Operating loss for the year recorded at Rs.32.7 million compared Rs.151.7 million recorded last year. Financial charges increased to Rs.403.1 million compared Rs.259.1 million last year due to the higher borrowings and increased markup rates.

Loss before tax for the year under review was Rs.435.8 million compared Rs.410.8 million last year. Loss after tax for the year under report was Rs.558.8 million compared Rs.504.5 million last year. Loss per share recorded at Rs.71.94 for the year under review compared loss of Rs.64.94.

However, after taking into account net surplus on revaluation of land and building, total comprehensive income for the year was Rs.40.6 million as compared with Rs.506.2 million loss last year.

Future Prospects

It is anticipated that indigenous organized battery industry will face tough competition due to the capacity expansion of existing battery plants, new entrants in the industry, and the changing market dynamics. It is projected that the profitability in the next year might also be adversely affected owing to the factors like increase in prices of basic raw material, increased cost of utilities, increase in wages 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, and 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 Company Limited (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: August 04, 2020

سیلز:

آ پکی کمپنی کی نیٹ سیلز ا آمدنی 8.26% کی کمی کے بعد 9.507 بلین روپے سے کم ہوکر 8.722 بلین روپے رہی جسکی وجہ بیٹری کی فروخت میں کمی ہونا تھا۔

منافع:

امسال مجموعی منافع 972.2 ملین روپے سے کم ہوکر 727.1 ملین روپے رہا جو کہ 25.2 فیصد کمی تھی۔منافع میں کمی کی وجہ خام مال کی قیمتوں کا بڑھنا اور آمدنی میں کمی ہے۔فروخت اور تقسیم کے اخراجات میں 19.2 فیصد کمی ہوئی۔انتظامی اور عمومی اخراجات 4 فیصد کمی کے بعد 121.9 ملین روپے سے 116.4 ملین روپے ہوگئے۔

آپریٹنگ نقصان کم ہوکر 32.7 ملین روپے ہوگیا جو کہ پچھلے سال 151.7 ملین روپے تھا۔فائنانس لاگت 259.1 ملین روپے سے بڑھ کر 403.1 ملین روپے ہوگئی جس کی وجہ قرضوں اور شرح سود میں اضافہ ہے۔

امسال کے لئے محصولات سے پہلے نقصان 410.8 ملین روپے سے بڑھ کر 435.8 ملین روپے نقصان رہا۔گزشتہ سال 504.5 ملین روپے نقصان کے مقابلے میں امسال ٹیکس کے بعد نقصان 558.8 ملین روپے رہا۔فی حصص نقصان 64.94 روپے سے بڑھ کر 71.94 روپے رہا۔

مستقبل کے امکانات:

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، فرورکوا بیٹری کمپنی لمیٹڈ (جاپان)، تھوک اور خوردہ فروش حضرات، مین ڈیلرز، کمپنی کے سپلائز، فوجی فرٹیلائزرز بن قاسم لمیٹڈ اور گاڑیوں کے پیداواری یونٹس اور سرکاری تنظیموں سمیت اپنے تمام گاہکوں کا بھی شکرگزار ہوں۔

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، فرورکوا بیٹری کمپنی لمیٹڈ (جاپان)، تھوک اور خوردہ فروش حضرات، مین ڈیلرز، کمپنی کے سپلائز، فوجی فرٹیلائزرز بن قاسم لمیٹڈ اور گاڑیوں کے پیداواری یونٹس اور سرکاری تنظیموں سمیت اپنے تمام گاہکوں کا بھی شکرگزار ہوں

الطاف ہاشوانی

چیئرمین

کراچی: 04 اگست 2020

چیئرمین کا جائزہ:

میں آپ کی کمپنی کے 67 ویں سالانہ جنرل میں آپکو خوش آمدید کہتا ہوں۔ میں اپنی اور موجودہ بورڈ آف ڈائریکٹر کی جانب سے کمپنی کی مجموعی کارکردگی برائے سال 31 مارچ 2020 اور آڈیٹیڈ اکاونٹس اور آڈٹ رپورٹ کا جائزہ پیش کر رہا ہوں۔

معشیت:

پاکستان کی جی ڈی پی شرح نمو 3.5 فیصد کے ہدف کے مقابلے میں موجودہ مالی سال (2019-2020) کے دوران منفی 2.6 فیصد رہی جو کہ گزشتہ سال 3.3 فیصد تھی۔ عالمی سطح پر اور پاکستان میں کورونا وائرس وبائی بیماری پھیلنے کی وجہ سے پاکستان کی معیشت کی ترقی کی رفتار غیر مستحکم ہوگئی، اس کی واضح وجہ یہ ہے کہ معاشی ترقی پر منفی اثرات مرتب ہوئے ہیں۔ منفی معاشی اثرات کو کم کرنے کیلئے، حکومت نے ملک میں معاشی سرگرمیوں کی حمایت کیلئے 1.2 ٹریلین روپے کا مالی پیکج دیا ہے۔ نیز اسٹیٹ بینک آف پاکستان نے معیشت کی حوصلہ افزائی کیلئے پالیسی شرح 6.25 فیصد کم کر کے 7 فیصد کر دی ہے۔

مالی سال 2019-2020 میں پاکستان کی تجارتی خسارہ نمایاں طور پر کم ہوا۔ گزشتہ سال کے دوران 31.8 ملین امریکی ڈالر سے 27 فیصد کمی کے ساتھ 23.18 ملین امریکی ڈالر رہا۔ خسارے میں کمی کی بنیادی وجہ درآمدات میں 54.76 بلین امریکی ڈالرے سے کم ہو کر 44.57 بلین امریکی ڈالر رہی جو کہ گزشتہ سال کے مقابلے میں 19 فیصد کم ہے۔ تاہم برآمدات 7 فیصد کمی سے 21.39 بلین امریکی ڈالر رہی جو کہ گزشتہ سال 22.96 بلین امریکی ڈالر تھی۔ کرنٹ اکاوئنٹ 78 فیصد سے کم ہو کر 2.97 بلین امریکی ڈالر ہو گیا جو کہ گزشتہ 5 سال کی کم ترین سطح پر ہے جو کہ پچھلے سال 13.43 بلین امریکی ڈالر تھا۔ کرنٹ اکاؤنٹ میں بہتری کی بنیادی وجہ تجارتی خسارے میں کمی ہونا اور ترسیلات میں 6.3 فیصد اضافہ ہونا ہے۔ مالی سال 2020 میں ترسیلات بڑھ کر 23.12 بلین امریکی ڈالر ہوگئی جو کہ گزشتہ سال 2019 میں 21.74 بلین امریکی ڈالر تھی۔ جون 2020 میں افراط زر بڑھ کر 11.1 فیصد ہوگئی۔ ملک کے زرمبادلہ کے ذخائر 3 جولائی 2020 تک 18.79 بلین امریکی ڈالر تھے۔

صنعت:

مالی سال 2019-2020 تمام آٹو سیکٹر کیلئے انتہائی مایوس کن ثابت ہوا۔ کاروں کی فروخت 55 فیصد کمی کے ساتھ 94,325 یونٹ تھی جو کہ گزشتہ سال 209,255 یونٹ تھی۔ اسی طرح ٹرک اور بسوں کی فروخت 50 فیصد کمی کے ساتھ 6,948 یونٹ سے کم ہو کر 3,477 یونٹ ہوگئی، جیپوں کی فروخت 50 فیصد کمی کے ساتھ 3,564 یونٹ ہوگئی، پک اپ کی فروخت 47 فیصد کمی کے ساتھ 12,064 یونٹ ہوگئی، ٹریکٹرز کی فروخت 35 فیصد کمی کے ساتھ 32,608 یونٹ ہوگئی اور موٹر سائیکل اور تین پہیوں والی گاڑیوں کی فروخت 23 فیصد کمی کے بعد 1,370,417 یونٹ ہوگئی۔ آٹوموبائل خصوصاً کاروں کی مانگ میں کمی بجٹ 2019-2020 میں مختلف ٹیکسوں میں اضافہ، روپے کی قدر میں کمی اور شرح سود میں اضافہ ہونا ہے۔ اس غیر معمولی اضافے نے ممکنہ خریداروں کی قوت خرید کم کردی ہے۔

پروڈکشن:

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 بھر پور طریقے سے عمل درآمد ہوا۔

Directors' Report

The Directors of your Company have pleasure in submitting their report on audited statements of accounts for the year ended March 31, 2020.

Operating Results

The operating results of the Company are summarized as follows	(Rupees' 000)
Loss before taxation	(435,819)
Provisoin for taxation	(123,033)
Loss after texation	(558,852)

Reason for Loss

The loss has mainly due to unfavorable economic situation as a result of which demand of automotive batteries deceased. In addition to this, inflationary impact on cost of raw materials and devaluation of Pak Rupee increased cost of goods sold.

Subsequent appropriations

In view of losses the Board did not approve appropriation by the Company for the year under review.

Loss per Share

The basic and diluted loss per share after tax is Rs.71.94 (2019: loss per share of Rs.64.94).

Chairman's Review

The Chairman's Review included in the Annual Reports deals inter alia with the nature of business, performance of the Company and future prospects and uncertainties. The Board of Directors has approved the Chairman's Review.

Board of Directors

The Board comprises of three executive directors, three non-executive directors and two Independent Directors which include one female independent director. Mr. Muhammad Kamran Shehzad resigned from the Board of Directors of the Company on 1st July 2019. The Board co-opted Mrs. Saira Soomro Najmi on casual vacancy due to resignation of Mr. Muhammad Kamran Shehzad in terms of Section 161(1) of the Company's Act, 2017 and in compliance with the requirement of the Code of Corporate Governance.

Name of Director	Attendance
Mr. Arif Hashwani	03
Mr. Altaf Hashwani	03
Mr. Arshad Shahzada	04
Mr. Hussain Hashwani	04
Mr. Ayub Hameed	03
Mrs. Saira Soomro Najmi	03
Mr. Muhammad Kamran Shehzad	01
Mr. S Haider Mehdi	04
Mr. S. M Faiq	04

Revaluation Surplus

During the year under report, the Company carried out revaluation of its existing land and buildings. The result of revaluation exercise highlighted revaluation surplus of Rs.608.4 million.

Directors' Statement on Corporate and Financial Reporting Framework

Following is the Directors' statement on Corporate and Financial Reporting Framework:

a) The Financial Statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.

b) Proper books of account have been maintained by the Company.

c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in the preparation of financial statements.

e) The Company maintains a sound internal control system which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

h) The Key operating and financial data for the last ten years is annexed to the annual report.

Statement of Compliance

The Company strictly adheres to the principles of Corporate Governance mandated by the Securities and Exchange Commission of Pakistan and has implemented all the prescribed stipulations. The same have been summarized in following statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 duly reviewed by the auditors.

Internal controls and risk management

The Company maintains sound internal control systems to provide reasonable assurance against efficiency and effective of operations, reliability of financial report and compliance with applicable laws and regulations. Such systems are monitored effectively by the management while the Board Audit Committee reviews the internal control systems based on assessment of risks and reports to the Board of Directors.

Risk, uncertainty and mitigations

Operational risks

The Company adheres to the highest standards of ethics, safety and quality assurance to ensure continued and uninterrupted supply of products and services to its customers. The Company's cost of production is adversely impacted due to devaluation of Pak Rupee, increase in the prices of raw materials, increase in energy charges and inflationary impact. In view of severe competition the Company could not pass-on cost increases to the customers during the year under review. However, the Company has increased prices to some extent in the year 2020-2021.

Financial risks

The overall risk exposure associated with the Company's financial assets and liabilities is very limited. The Company concentrate credit risk on top 15 customers. However, exposure to customers including top 15 customers is managed through application of credit limits.

Compliance risks

Your Board and the management have instituted a strong governance and legal framework to ensure compliance to not only applicable laws and regulations but also to stay at par with best international practices

Health, Safety and Environment

The Company is continuously investing its resources to improve working condition for its associates to provide a healthy, safe and comfortable working environment. Your company has obtained ISO 14001-2015 certificate on Environment Management System.

Corporate Social Responsibility

The Company consider social, environmental and ethical matters in the context of the overall business Environment. The company is committed to contribute for the walfare the community. During the year the Company has paid Rs.645 thousand to Kidney Centre

Contribution of National Exchequer

The Company contributed Rs.1.975 billion towards the National Exchequer on account of various government levies, taxes and import duties in the year under review. Payment of these taxes is 22.6% of net sales value of the company which shows Company's positive attitude towards economic development as a good responsible corporate citizen.

Audit Committee

The Audit Committee consists of three members, including one independent and two Non-Executive Directors. Chairman of the Committee is an Independent Director. The Terms of reference of the Committee have been determined in accordance with the guidelines provided in the Code of Corporate Governance.

The Committee held four (4) meeting during the year. Attendance by each was as follows:

Name of Member	Attendance
Mr. Ayub Hameed - Chairman	03
Mr. Altaf Hashwani - Member	04
Mr. S. M Faiq - Member	04

Human Resources Committee

The Human Resources Committee comprises of three members, one of whom is Independent Director, one Non-Executive Director and one Executive Director. The Chairman of the Committee is an Independent Director. The Committee held one meeting during the year which was attended by all members including its Chairman. Following Directors are the members of Human Resources Committee

Name of Member	Attendance
Mr. Ayub Hameed - Chairman	01
Mr. Arif Hashwani - Member	01
Mr. Altaf Hashwani - Member	01

Directors' Remuneration

The Board of Directors has approved Directors Remuneration. However, in terms of the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company shall not pay remuneration to its non-executive directors including independent directors. However, independent directors are paid meeting fee for attending Board of Directors Meeting. For information on remuneration of Directors and CEO, please refer note 35 to the financial statements

Related Party Transactions

The Company has executed all transactions with its related parties at an arm's length price except where it has been disclosed in the financial statements. Further, a property sale transaction with a related party was carried out during the year at market value as disclosed in note 5.1.3.1 to the annexed consolidated and unconsolidated financial statements. The details of all related party transactions were placed before the Audit Committee and upon its recommendation the same were approved by the Board of Directors.

Employees' Retirement Benefits

The Company operates recognized provident fund and non-contributory gratuity fund for its employees. Value of investments of Provident and Gratuity fund was Rs 106.1 million and Rs. 57.5 million respectively as on March 31, 2020.

Operating and Financial Data

Operating and financial data and key ratios of the Company for the last ten years are annexed.

Pattern of Shareholding

The pattern of shareholding as at March 31, 2020 is annexed

Material Changes

There have been no material changes since March 31, 2020 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Statutory Auditor of the Company

Considering that A.F. Ferguson & Co. Chartered Accountants (a member firm of PwC network) has been the Company's auditors for more than 30 years. The Audit Committee recommended the appointment of Messrs. Deloitte Yousuf Adil, Chartered Accountants in place of the existing auditors on such terms and conditions and remuneration as to be decided. Although the change of auditors is not mandated by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the audit committee has recommended the change on account of good governance practices and the Company also intends to consider rotating the auditors every five years. The Board of Directors have also endorsed the recommendation of the Audit Committee.

The Board of Directors appreciate the professional services rendered by A.F. Ferguson & Co. Chartered Accountants (a member firm of PwC network) during all the years they were associated with the Company.

Arif Hashwani
Director

Arshad Shahzada
Chief Executive Officer

Karachi: August 04, 2020

ریلیٹڈ پارٹی سے متعلق معاملات

کمپنی نے اپنے متعلقہ فریقوں کے ساتھ تمام لین دین کو آرمز لینتھ طریقے سے انجام دیا ہے سوائے اسکے کہ مالی حسابات میں اس کو بیان کیا گیا ہو۔ مزید یہ کہ متعلقہ فریق کے ساتھ جائیداد کی فروخت کا لین دین سال کے دوران منڈی کی قیمت کے مطابق کیا گیا تھا، جیسا کہ نوٹ 5.1.3.1 میں بتایا گیا ہے۔ ریلیٹڈ پارٹی سے متعلق تمام معاملات کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی گئی اور اس کی سفارش پر بورڈ آف ڈائریکٹرز نے بھی اس کی منظوری دے دی۔

ملازمین کے ریٹائرمنٹ کے فوائد

کمپنی اپنے ملازمین کیلئے تسلیم شدہ پروو ڈنٹ فند اور گریجوٹی فنڈ برقرار رکھتی ہے۔ پروو ڈنٹ اور گریجوٹی فنڈ کی سرمایہ کاری کی مالیت 31 مارچ 2020 پر بالترتیب 106.1 ملین روپے اور 57.5 ملین روپے تھی۔

آپریٹنگ اور مالیاتی ڈیٹا

آپریٹنگ اور مالی اعداد و شمار اور کمپنی کے پچھلے دس سالوں کے اہم تناسب کو الحاق کیا گیا ہے۔

پیٹرن آف شیئر ہولڈنگ

31 مارچ 2020 کا حصص یافتگان کا پیٹرن منسلک کیا گیا ہے۔

مادی تبدیلیاں

اس رپورٹ کی تاریخ 31 مارچ 2020 سے لے کر آج تک کوئی مادی تبدیلی واقع نہیں ہوئی اور کمپنی نے اس عرصے کے دوران کسی بھی عزم کو قبول نہیں کیا جس سے کمپنی کی مالی حیثیت پر منفی اثرات مرتب ہونگے۔

کمپنی کے اسٹیچیری آڈیٹرز

یہ خیال کرتے ہوئے کہ اے ایف فرگسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس (PWC نیٹ ورک کی ایک ممبر کمپنی) 30 سال سے زیادہ عرصے سے کمپنی کے آڈیٹر ہیں۔ آڈٹ کمیٹی کی سفارش پر موجودہ آڈیٹر کی جگہ پر میسرز ڈیلوئٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس کی تقرری اسی شرائط وضوابط اور معاوضے کا فیصلہ کیا جائے۔ اگرچہ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ذریعے آڈیٹرز کی تبدیلی لازمی نہیں ہے لیکن آڈٹ کمیٹی نے گڈ گورننس کے طریقوں کے حساب سے تبدیلی کی سفارش کی ہے اور کمپنی ہر پانچ سال بعد آڈیٹرز کی تبدیلی پر غور کرنے کا ارادہ رکھتی ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش کی بھی توثیق کی ہے۔

بورڈ آف ڈائریکٹرز ان تمام سالوں کے دوران اے ایف فرگسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس (PWC نیٹ ورک کی ایک ممبر کمپنی) کی جانب سے پیش کردہ پیشہ ورانہ خدمات کے متعرف ہیں۔

عارف ہاشوانی
ڈائریکٹر

ارشد شہزادہ
چیف ایگزیکیٹو آفیسر

کراچی: 04 اگست 2020

قومی خزانے میں شراکت

جائزہ کے تحت رواں سال میں متعدد سرکاری محصولات، ٹیکسوں اور درآمدادی ڈیوٹی کی وجہ سے کمپنی نے قومی اخراجات کیلئے 1.975 بلین روپے کا تعاون کیا۔ ان ٹیکسوں کی ادائیگی کمپنی کی خالص فروخت قیمت کا 22.6 فیصد ہے جو ایک اچھے ذمہ دار کارپوریٹ شہری کی حیثیت سے معاشی ترقی کے بارے میں کمپنی کے مثبت طرزِ عمل کو ظاہر کرتی ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی تین ممبروں پر مشتمل ہیں، جن میں 1 آزاد اور 2 نان ایگزیکٹیو ڈائیریکٹرز شامل ہیں۔ کمیٹی کے چیئرمین ایک آزاد ڈائیریکٹر ہیں۔ کمیٹی کے امور کی شرائط کوڈ آف کارپوریٹ گورننس میں فراہم کردہ رہنما اصولوں کے مطابق طے کی گئی ہیں۔

رواں سال کمیٹی کا (4) اجلاس منعقد ہوا جن کی حاضری مندرجہ ذیل ہیں۔

ممبرز کا نام	حاضری
جناب ایوب حمید (چیئرمین)	03
جناب الطاف ہاشوانی (ممبر)	04
جناب ایس ایم فائق (ممبر)	04

ہیومین ریسورس کمیٹی

ہیومین ریسورس کمیٹی میں تین ممبر شامل ہیں۔ جن میں ایک آزاد ڈائیریکٹر، ایک نان ایگزیکیٹیو ڈائیریکٹر اور ایک ایگزیکیٹیو ڈائیریکٹر ہیں۔ کمیٹی کا چیئرمین آزاد ڈائیریکٹر ہے۔ کمیٹی نے رواں سال کے دوران ایک اجلاس منعقد کیا جس میں اس کے چیئرمین سمیت تمام ممبران نے شرکت کی۔ مندرجہ ذیل ڈائیریکٹر ہیومین ریسورس کمیٹی کے ممبر ہیں۔

ممبرز کا نام	حاضری
جناب ایوب حمید (چیئرمین)	01
جناب عارف ہاشوانی (ممبر)	01
جناب الطاف ہاشوانی (ممبر)	01

ڈائیریکٹرز کا معاوضہ

بورڈ آف ڈائیریکٹرز نے ڈائیریکٹرز کے معاوضے کی منظوری دے دی ہے۔ تاہم، کوڈ آف کارپوریٹ گورننس کے معاملے میں اس بات کو یقینی بنایا گیا ہے کہ کوئی بھی ڈائیریکٹر اپنے معاوضے کے فیصلے میں حصہ نہ لے۔ کمپنی اپنے نان ایگزیکیٹیو ڈائیریکٹرز سمیت آزاد ڈائیریکٹرز کو معاوضہ ادا نہیں کرے گی۔ تاہم، بورڈ آف ڈائیریکٹرز کے اجلاس میں شرکت کیلئے آزاد ڈائیریکٹرز کو میٹنگ کی فیس ادا کی جاتی ہے۔ ڈائیریکٹرز اور سی ای او کے معاوضے سے متعلق معلومات کیلئے برائے مہربانی مالی حسابات کے نوٹ نمبر 35 کا مطالعہ کریں۔

اندرونی کنٹرول اور رسک مینجمنٹ

کمپنی کارکردگی کا مظاہر کرنے اور عملی طور پر موثر، مالی رپورٹ کی قابل اعتمادی اور قابل اطلاق قوانین اور ضوابط کے خلاف مناسب یقین دیہانی فراہم کرنے کیلئے مستند داخلی کنٹرول سسٹم کو برقرار رکھتی ہے۔ انتظامیہ اس طرح کے نظام کی موثر انداز میں نگرانی کرتی ہے جبکہ بورڈ آڈٹ کمیٹی اندرونی کنٹرول کے نظام کے خطرات کی تشخیص کا جائزہ لیتی ہے اور بورڈ آف ڈائیریکٹرز کو رپورٹ کرتی ہے۔

خطرہ، غیر یقینی صورتحال اور تخفیف

آپریشنل رسک

کمپنی اپنے صارفین کو مصنوعات اور خدمات کی مسلسل اور بلا تعطل فراہمی کو یقین بنانے کیلئے اخلاقیات، حفاظت اور معیار کی یقین دیہانی کے اعلی معیار پر عمل پیرا ہے۔ روپے کی قدر میں کمی، خام مال کی قیمتوں می اضافہ، توانائی، معاوضوں میں اضافہ اور افراط زر کے اثرات کی وجہ سے کمپنی کی پیداواری لاگت پر منفی اثر پڑا ہے۔ شدید مسابقت کے پیش نظر، کمپنی جائزہ کے تحت سال کے دوران صارفین کو لاگت میں اضافے کو منتقل نہیں کر سکی۔ تاہم کمپنی نے سال 2020-2021 میں قیمتوں میں کسی حد تک اضافہ کیا ہے۔

مالی خطرات

کمپنی کے مالی اثاثوں اور واجبات سے وابستہ رسک مجموعی طور پر بہت محدود ہے۔ کمپنی اپنے ٹاپ 15 صارفین کی کریڈٹ رسک کو مرتکز کرتی ہے۔ تاہم کریڈٹ حدود کے اطلاق کے ذریعے ٹاپ 15 صارفین کے ساتھ ساتھ دیگر تمام صارفین کو سسٹم کے ذریعے مینج کرتی ہے۔

تعمیل کے خطرات

آپ کے بورڈ اور انتظامیہ نے نہ صرف قابل اطلاق قوانین اور قواعد وضوابط کی تعمیل کو یقینی بنانے کیلئے بلکہ بہترین بین الاقوامی طریقوں کے مترادف رہنے کیلئے ایک مضبوط حکمرانی اور قانونی فریم ورک تشکیل دیا ہے۔

صحت، حفاظت اور ماحول

کمپنی اپنے ساتھیوں کو صحت مند، محفوظ اور آرام دہ اور پرسکون ورکنگ ماحول فراہم کرنے کیلئے اور کام کرنے کے ماحول کو بہتر بنانے کیلئے اپنے وسائل پر لگاتار سرمایہ کاری کر رہی ہے۔ آپ کی کمپنی نے ماحولیاتی نظم ونسق کے نظام پر آئی ایس او 2015-14001 سند حاصل کی ہوئی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی مجموعی طور پر کاروباری ماحول کے تناظر میں معاشرتی، ماحولیاتی اور اخلاقی امور پر غور کرتی ہے کمپنی برادری کی فلاح و بہبود کیلئے کردار ادا کرنے کیلئے پرعزم ہے۔ رواں سال کے دوران کمپنی نے گردے سینٹر (Kidney Centre) کو 645 ہزار روپے کا چندہ دیا ہے۔

حاضری	ڈائیریکٹر کا نام
03	جناب عارف ہاشوانی
03	جناب الطاف ہاشوانی
04	جناب ارشد شہزادہ
04	جناب حسین ہاشوانی
03	جناب ایوب حمید
03	محترمہ سائرہ سومرو نجمی
01	جناب محمد کامران شہزاد
04	جناب سید حیدر مہدی
04	جناب ایس ایم فائق

سرپلس کی تشخیص

رپورٹ کے تحت سال کے دوران، کمپنی نے اپنی موجودہ زمین اور عمارتوں کا جائزہ لیا۔ دوبارہ تشخیصی مشق کے نتیجے میں 608.4 ملین روپے کی تجزیہ سرپلس پر روشنی ڈالی گئی۔

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر ڈائیریکٹرز کا بیان

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک کے بارے میں ڈائیریکٹرز کا بیان مندرجہ ذیل ہے ۔

- کمپنی کی انتظامیہ نے مالی حسابات بالکل ایماندارانہ طور پر تیار کیا ہے جو کہ کمپنی کے آپریٹنگ رزلٹس، کیش فلو اسٹیٹمنٹ اور ایکوٹی اسٹیٹمنٹ کے ساتھ شامل ہیں۔
- کمپنی نے پراپر بکس آف اکاؤنٹس مینٹین کی ہیں۔
- مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور حساب کتاب کا تخمینہ محتاط فیصلے پر مبنی ہوتا ہے۔
- بین الاقوامی رپورٹنگ معیارات، پاکستان میں قابل عمل کے طور پر مالی بیانات ان اکاؤنٹس کی تیاری میں شامل کئے گئے ہیں۔
- اندورنی کنٹرول کا نظام پورے سال نافذ کیا گیا اور اس کی نگرانی کی گئی۔
- کمپنی کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- کارپوریٹ گورننس اور بہترین پریکٹسس ،لسٹنگ ریگیولیشن سے کوئی بڑا فرق نہیں ہے۔
- پچھلے دس سالوں کا مالی حساب کتاب اس رپورٹ کے ساتھ منسلک ہے۔

تعمیل کا بیان

کمپنی سیکیورٹیز اور کمپنی ایکسچینج آف پاکستان کے کارپوریٹ گورننس کے اصولوں پر سختی سے عمل کرتی ہے اور اس کے تمام مقرر کردہ شرائط پر عمل درآمد کرتی ہے اسی طرح آڈیٹرز نے تمام لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کا جائزہ لیا ہے۔

ڈائیریکٹرز رپورٹ

آپ کی کمپنی کے ڈائیریکٹرز 31 مارچ 2020 کوختم ہونے والے سال کیلئے آڈیٹڈ اکاؤنٹس اوران کی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کا خلاصہ مندرجہ ذیل ہے۔

	روپے ہزار میں
قبل ازٹیکس نقصان	(435,819)
ٹیکس	(123,033)
بعدازٹیکس نقصان	(558,852)

نقصان کی وجہ

نقصان بنیادی طور پر نامناسب معاشی صورت حال کی وجہ سے ہوا ہے جس کے نتیجے میں آٹوموٹو بیٹریوں کی طلب میں کمی واقع ہوئی اس کے علاوہ خام مال کی قیمت پرمہنگائی کے اثرات اورروپے کی قدر میں کمی نے فروخت ہونے والے سامان کی قیمت میں اضافہ کردیا ہے۔

بعدکی تخصیصات

نقصانات کے پیش نظر بورڈ نے زیرغور سال کیلئے کمپنی کے ذریعےمختص ہونے کی منظوری نہیں دی۔

نقصان فی شیئر

ٹیکس کے بعدفی شیئر بنیادی اورگھٹ جانے والانقصان 71.94 روپے رہا (2019 خسارہ فی حصص 64.94 روپے)۔

چیئرمین کا جائزہ

سالانہ رپورٹس میں چیئرمین کا جائزہ کاروبار کی نوعیت، کمپنی کی کارکردگی اور مستقبل کے امکانات اور غیریقینی صورت حال سے متعلق معلومات شامل ہیں۔ بورڈ آف ڈائیریکٹرز نے چیئرمین کے جائزے کی منظوری دے دی ہے۔

بورڈآف ڈائیریکٹرز

بورڈ میں 3 ایگزیکٹیو ڈائیریکٹرز ، 3 غیرایگزیکٹو ڈائیریکٹرز اور 2 آزاد ڈائیریکٹرز شامل ہیں جن میں 1 خاتون آزاد ڈائیریکٹر ہے۔ جناب محمد کامران شہزاد نے یکم جولائی 2019 کو کمپنی کے بورڈ آف ڈائیریکٹرز سے استعفیٰ دیا تھا۔ کمپنیز ایکٹ 2017 کے سیکشن 161(1) کی شرائط اور کارپوریٹ گورننس کے تقاضے کی تعمیل میں جناب محمد کامران شہزاد کے استعفیٰ کی وجہ سے بورڈ نے مسز سائرہ سومرو نجمی کو خالی جگہ پر منتخب کیا۔

Statement of Compliance

With the listed companies (Code of Corporate Governance) regulations, 2019 for the year ended March 31, 2020

Exide Pakistan Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors are eight as per the following

a) Male: Seven

b) Female: One

2. The composition of the Board of Directors ("the Board") is as follows:

Category	Names
Independent Director &	Mr. Ayub Hameed
Non-Executive Directors	Mr. Hussain Hashwani Mr. Altaf Hashwani Mr. S. M. Faiq
Executive Directors	Mr. Arif Hashwani Mr. Arshad Shahzada Mr. S Haider Mehdi
Female Independent Director	Mrs. Saira Soomro Najmi

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2019 ("the Act") and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board remained fully compliant with the provision with regard to their directors' training program. Out of total of eight directors, four directors are exempt from training program as mentioned in regulation no. 19 of the Regulations. Furthermore, remaining two director have already completed this training earlier.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. However, the Company Secretary is a commerce graduate possessing appropriate experience in secretarial job but he does not meet the qualification criteria prescribed by the Code.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee
- Mr. Ayub Hameed (Chairman)
- Mr. Altaf Hashwani
- Mr. S. M. Faiq

b) HR and Remuneration Committee
- Mr. Ayub Hameed (Chairman)
- Mr. Arif Hashwani
- Mr. Altaf Hashwani

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the aforesaid committees were as per following:

a) Audit Committee: Four quarterly meetings during the financial year ended March 31, 2020
b) HR and Remuneration Committee: One meeting during the financial year ended March 31, 2020.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements are as follows, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below

a) The Regulation 18 of the Code requires that the company should make appropriate arrangements to carry out orientation for its directors to acquaint them with the Regulations of the Code, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed Company for and on behalf of shareholders. The management is in the process of making appropriate arrangements to carry out the aforementioned orientation of its directors and plans to conduct them by the end of September 2020.

b) The Regulation 24 of the Code requires that no person shall be appointed as company secretary unless he holds the qualification as specified under the relevant Regulations issued by the Commission. Although the Company secretary does not meet the qualification criteria prescribed by the relevant regulations issued by the Commission, he is a commerce graduate possessing appropriate experience in secretarial job.

Altaf Hashwani

Chairman

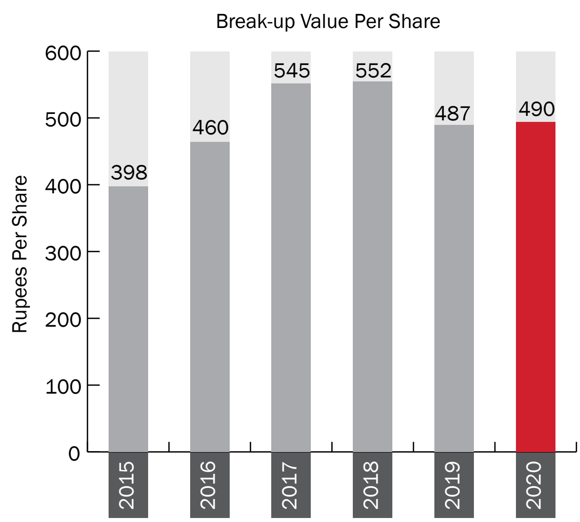
Karachi: August 04, 2020

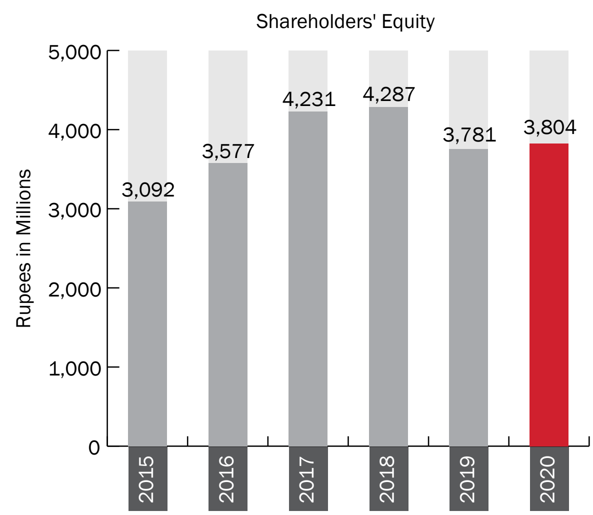

EXIDE
EXIDE
MOTORCYCLE BATTERY

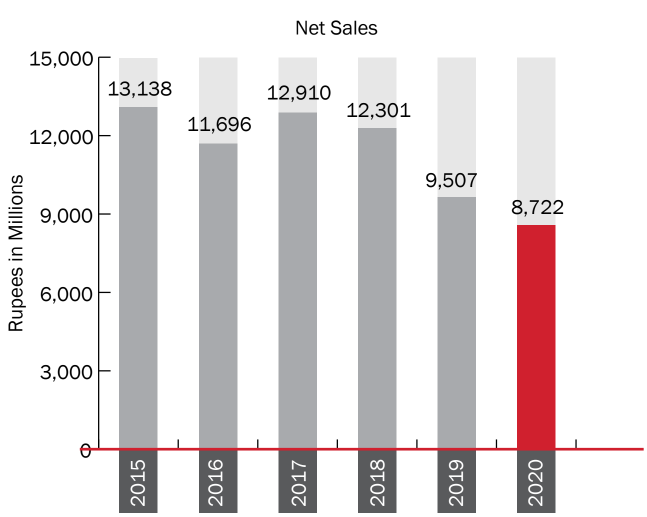
Performance Highlights

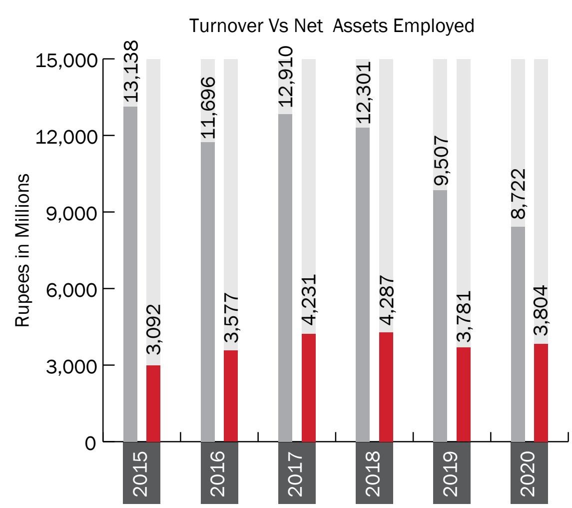
EXIDE PAKISTAN LIMITED	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
					Rupees' 000					
Net Sales	7,711,452	9,465,724	11,145,295	11,593,822	13,138,079	11,695,892	12,909,940	12,301,411	9,506,579	8,722,283
Operating Profit/(Loss)	558,215	658,025	791,779	699,880	871,707	825,706	1,125,900	336,220	(151,732)	(32,691)
Profit/(Loss) before Tax	429,726	500,926	753,452	603,457	617,481	651,542	1,060,935	193,962	(410,838)	(435,819)
Profit/(Loss) after Tax	276,390	320,145	485,856	401,092	447,685	424,616	739,256	21,621	(504,511)	(558,852)
Cash Dividend	33,899	42,374	42,374	58,265	58,265	77,686	97,108	-	-	-
Cash Dividend %	60	60	60	75	75	100	125	-	-	-
Stock Dividend	14,125	-	7,062	-	-	-	-	-	-	-
Stock Dividend %	25	-	10	-	-	-	-	-	-	-
Paid up Share Capital	56,499	70,624	70,624	77,686	77,686	77,686	77,686	77,686	77,686	77,686
Rerserves & Unappropriated Profit	1,091,989	1,374,100	1,839,576	2,203,784	2,604,358	2,983,383	3,649,635	3,584,627	3,094,052	2,630,153
Surplus on Revaluation of fixed Assests	449,916	439,926	429,937	419,948	410,481	515,702	503,232	624,793	609,132	1,095,836
Share holders' Equity	1,598,404	1,884,650	2,340,137	2,701,418	3,092,525	3,576,771	4,230,553	4,287,106	3,780,870	3,803,675
Tangible Fixed Assest	1,027,910	1,018,471	1,039,059	1,249,709	1,313,152	1,355,372	1,442,525	1,631,860	1,507,876	1,892,094
Net Current Assests	593,067	899,155	1,339,730	1,490,379	1,791,721	2,190,649	2,755,319	2,625,708	2,225,371	2,090,280
					Rupees					
Eearnings/(Loss) per share before Tax	76.06	70.93	106.68	77.68	79.48	83.87	136.57	24.97	(52.88)	(56.10)
Eearnings/(Loss) per share after Tax	48.92	45.33	68.79	51.63	57.63	54.66	95.16	2.78	(64.94)	(71.94)
Share break-up value	282.91	266.86	331.35	347.74	398.08	460.41	544.57	551.85	486.69	489.62
					Percentage					
Ratio of :										
Operating Profit/(Loss) to Sales	7%	7%	8%	6%	7%	7%	9%	3%	-2%	-0.4%
Profit/(Loss) before Tax to Sales	6%	5%	7%	5%	5%	6%	8%	2%	-4%	-5%
Profit/(Loss) after Tax to Sales	4%	3%	4%	3%	3%	4%	6%	0%	-5%	-6%
Return/(Loss) on Equity	17%	17%	21%	15%	14%	12%	17%	1%	-13%	--16%

Performance Highlights



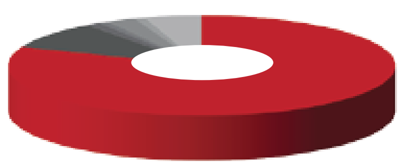






Performance Highlights

Cost and Expenses Analysis 2019

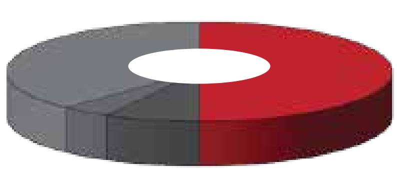


Cost of Goods Sold	90%
Selling and Distribution Expenses	9%
Administration Expenses	1%
Other Charges	1%
Financial Charges	3%
Taxation	1%
Net Loss	-5%

Cost and Expenses Analysis 2020

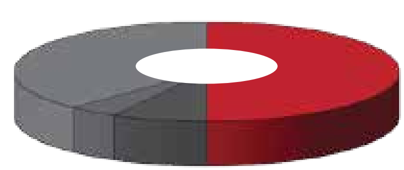
Cost of Goods Sold	92%
Selling and Distribution Expenses	9%
Administration Expenses	1%
Other Charges	1%
Financial Charges	5%
Taxation	1%
Net Loss	-6%

Sales Analysis 2019
Rupees in Millions



Gross Sales	12,541
Sales Tax and Special Exice Duty	1,998
Discounts	1,036
Net Sales	9,507

Sales Analysis 2020
Rupees in Millions



Gross Sales	11,302
Sales Tax and Special Exice Duty	1,642
Discounts	938
Net Sales	8,722

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Exide Pakistan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Exide Pakistan Limited (the Company) for the year ended March 31, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended March 31, 2020

AFFerguson&Co

A. F. Ferguson & Co.
Chartered Accountants
Place: Karachi
Date: August 06, 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Exide Pakistan Limited

Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Exide Pakistan Limited** (the Company), which comprise the unconsolidated statement of financial position as at March 31, 2020, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at March 31, 2020 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	**First time adoption of IFRS 9 – Financial instruments** (Refer notes 2.3.1 and 11 to the annexed unconsolidated financial statements) IFRS 9 'Financial Instruments' is effective for the Company for the first time during the current year and replaces the IAS 39 'Financial Instruments: Recognition and Measurement'. In relation to financial assets, IFRS 9 requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach.	Our audit procedures amongst others included the following: • Reviewed and understood the requirements of IFRS 9; • Considered the management's process to assess the impact of adoption of IFRS 9 on the unconsolidated financial statements;

INDEPENDENT AUDITOR’S REPORT

S.No.	Key Audit Matters	How the matter was addressed in our audit
	The Company’s management has determined that the most significant impact of IFRS 9 on the unconsolidated financial statements of the Company is in respect of allowance for impairment of trade debts. IFRS 9 requires the allowance for impairment of trade debts to be recognised by determining the ECL rather than incurred credit losses, a concept prevalent under IAS 39. The measurement of ECL takes into account range of probable outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. The calculation of ECL in accordance with IFRS 9 is therefore complex and involves a number of judgments and assumptions. The Company has adopted the IFRS 9 using modified retrospective approach and has recognised ECL amounting to Rs 17.76 million in opening balance of accumulated losses / unappropriated profit as at April 1, 2019. The charge for the year in respect of provision for trade debts amounted to Rs. 6.90 million and the provision as at March 31, 2020 amounted to Rs. 76.169 million. The determination of ECL involves significant management judgments and estimates. Therefore, we have considered determination of ECL as a key audit matter.	• Evaluated the key decisions made by the Company’s management with respect to accounting policies, estimates and judgments in relation to adoption of IFRS 9 and assessed the appropriateness based on our understanding of the Company’s business and operations; • Assessed the reasonableness and accuracy of the data used for ECL computation based on the accounting records and information system of the Company as well as the related external sources used for this purpose; • Reviewed the impairment model used by the management to calculate ECL on trade debts of the Company for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model; and • Reviewed and assessed the financial impacts and adequacy and appropriateness of disclosures made in the unconsolidated financial statements in relation to adoption of IFRS 9.
2	**Provision for warranty claims** (Refer note 20.2 to the annexed unconsolidated financial statements)	
	The Company offers different warranty periods for its various classes of batteries. The management carries out an exercise to assess the reasonableness of the provision for warranty claims retained in the unconsolidated financial statements for all kinds of batteries. In ascertaining, the adequacy of the provision, the management takes into account the past trend of warranty claims in respect of all kinds of batteries which are sold by the Company. The charge for the year in respect of provision for warranty claims amounted to Rs 244.693 million and the provision as at March 31, 2020 amounted to Rs 95.432 million. Due to the significance of the provision balance and related significant estimation involved, we considered it as a key audit matter.	Our audit procedures amongst others included the following: • Obtained an understanding of the warranty process, evaluated the design of, and performed the related test of controls; • Evaluated the appropriateness of the Company’s methodology for calculating the charge in respect of warranty provisions for the year and tested the basis for the assumptions used in the determination of the warranty provision; and • Assessed the relevant disclosures made in the unconsolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan.

INDEPENDENT AUDITOR'S REPORT

<table>
<tr><th>S.No.</th><th>Key Audit Matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>3</td><td>Impact of COVID 19
(Refer note 46 to the annexed unconsolidated financial statements)</td><td></td></tr>
<tr><td></td><td>Due to the COVID-19 situation and lockdown in the province of Sindh since March 2020, business activity has been adversely affected. The Company's factory and offices were closed that resulted in a decline in the Company's sales from March 2020. This affected the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

In relation to the accounting and reporting obligations, the management assessed the following significant areas for incorporating COVID-19 impact in the financial statements.

• expected credit losses (ECL) under IFRS 9, 'Financial Instruments';
• the impairment of tangible assets under IAS 36 'Impairment of non-financial assets';
• the net realisable value (NRV) of inventory under IAS 2, 'Inventories';
• the debt covenants of the loans obtained from the banks; and
• going concern assumption used for the preparation of the financial statements.

The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and its execution involved assessment of significant management judgments in the preparation of the financial statements. Therefore, we considered it as a key audit matter.</td><td>Our audit procedures amongst others included the following:

• Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy;
• For information / record provided by the management in scanned form, the original records were checked subsequently when the lockdown was relaxed;
• For confirmation received through email, the authenticity of the confirmations was ensured by performing alternate procedures such as making telephone calls to confirming parties;
• Assessed the reasonableness of forward-looking factors under the COVID-19 situation used by management in preparing ECL model;
• Evaluated whether any impairment indicators exist that could trigger impairment for tangible assets;
• Obtained the computation of NRV of inventory and checked its reasonableness;
• Reviewed the key debt covenants of the loan agreements and checked that the Company is in compliance with these covenants;
• Evaluated management's going concern assessment by reviewing the approved budget / future cash flow forecast and assessed whether going concern assumption is appropriate; and
• Reviewed the adequacy of the disclosures made by the Company under the applicable financial reporting framework.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Report on Other Legal and Regulatory Requirement

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: August 06, 2020

UNCONSOLIDATED
FINANCIAL STATEMENTS

Unconsolidated Statement of Financial Position

as at March 31, 2020

	Note	2020	2019
		(Rupees '000)	
ASSETS			
Non-current assets			
Fixed assets	5	1,340,079	1,507,876
Long-term investment	6	224	224
Long-term loans	7	491	585
Long-term deposits	8	42,480	46,814
		1,383,274	1,555,499
Current assets			
Stores and spares	9	112,321	115,987
Stock-in-trade	10	1,881,076	2,176,433
Trade debts	11	3,155,002	3,565,856
Loans and advances	12	31,020	26,480
Trade deposits, prepayments and other receivables	13	39,697	67,872
Taxation recoverable		1,076,443	898,853
Cash and bank balances	14	140,253	149,083
		6,435,812	7,000,564
Assets classified as held for sale	15	552,015	-
		8,371,101	8,556,063
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
18,000,000 (2019: 18,000,000) ordinary shares of Rs 10 each		180,000	180,000
Issued, subscribed and paid-up share capital	16	77,686	77,686
Capital reserve		259	259
Revenue reserves		3,329,991	3,329,991
Reserve arising on amalgamation - net		25,823	25,823
Accumulated (losses) / unappropriated profit		(725,920)	(262,021)
Revaluation surplus on property, plant and equipment - net of tax	17	1,095,836	609,132
		3,803,675	3,780,870
LIABILITIES			
Non-current liabilities			
Deferred taxation - net	18	-	-
Long term loan	19	221,894	-
Current liabilities			
Trade and other payables	20	1,784,889	1,182,221
Unclaimed dividend		5,873	6,076
Accrued profit / mark-up	21	98,936	81,683
Loan from a Director	22	110,550	305,550
Short-term borrowings	23	2,345,284	3,199,663
		4,345,532	4,775,193
TOTAL LIABILITIES		4,567,426	4,775,193
TOTAL EQUITY AND LIABILITIES		8,371,101	8,556,063
CONTINGENCIES AND COMMITMENTS	24		

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

Altaf Hashwani	**Arshad Shehzada**	**S. Haider Mehdi**
Chairman	Chief Executive Officer	Chief Financial Officer

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2020

	Note	2020	2019
		(Rupees '000)	
Sales - net	25	**8,722,283**	9,506,579
Cost of sales	26	**(7,995,164)**	(8,534,355)
Gross profit		**727,119**	972,224
Selling and distribution expenses	27	**(757,940)**	(938,232)
Administration and general expenses	28	**(116,419)**	(121,858)
		(147,240)	(87,866)
Other income	29	**166,560**	18,519
		19,320	(69,347)
Other operating charges	30	**(52,011)**	(82,385)
Operating (loss)		**(32,691)**	(151,732)
Finance cost	31	**(403,128)**	(259,106)
(Loss) before taxation		**(435,819)**	(410,838)
Taxation - net	32	**(123,033)**	(93,673)
(Loss) after taxation		**(558,852)**	(504,511)
Other Comprehensive income for the year			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of defined benefit plan	34.1.2	**(6,905)**	(2,203)
Deferred tax on remeasurements of defined benefit plan		**2,002**	551
		(4,903)	(1,652)
Items may be reclassified to profit or loss in subsequent periods			
Surplus arising on revaluation of land and building	17	**608,430**	-
Deferred tax on surplus arising on revaluation of land and building - net	17	**(3,584)**	-
Effect of change in tax rate	17	**(526)**	(73)
		604,320	(73)
Total comprehensive income / (loss) for the year		**40,565**	(506,236)
		(Rupees)	
(Loss) per share (basic and diluted)	33	**(71.94)**	(64.94)

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

Altaf Hashwani	**Arshad Shehzada**	**S. Haider Mehdi**
Chairman	Chief Executive Officer	Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended March 31, 2020

	Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves		Total
		General capital reserve	Reserve arising on amalgamation-net	Revaluation surplus on property, plant and equipment	General revenue reserve	Accumulated (losses)/ unappropriated profit	
	(Rupees '000)						
Balance at March 31, 2018	77,686	259	25,823	624,793	3,329,991	228,554	4,287,106
Loss after taxation for the year ended March 31, 2019	-	-	-	-	-	(504,511)	(504,511)
Other comprehensive income for the year							
Remeasurements of defined benefit plan	-	-	-	-	-	(2,203)	(2,203)
Deferred tax on remeasurements of defined benefit plan	-	-	-	-	-	551	551
Effect of change in tax rate (note 17)	-	-	-	(73)	-	-	(73)
	-	-	-	(73)	-	(1,652)	(1,725)
Transferred from revaluation surplus on property, plant and equipment - net of tax (note 17)	-	-	-	(15,588)	-	15,588	-
Balance as at March 31, 2019	77,686	259	25,823	609,132	3,329,991	(262,021)	3,780,870
Impact of adoption of IFRS 9 (note 2.3.1)	-	-	-	-	-	(17,760)	(17,760)
Balance as at April 1, 2019	77,686	259	25,823	609,132	3,329,991	(279,781)	3,763,110
Loss after taxation for the year ended March 31, 2020	-	-	-	-	-	(558,852)	(558,852)
Other comprehensive income for the year							
Remeasurements of defined benefit plan	-	-	-	-	-	(6,905)	(6,905)
Deferred tax on remeasurements of defined benefit plan	-	-	-	-	-	2,002	2,002
Effect of change in tax rate (note 17)	-	-	-	(526)	-	-	(526)
Surplus on revaluation of land and building - net of tax (note 17)	-	-	-	604,846	-	-	604,846
	-	-	-	604,320	-	(4,903)	599,417
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax (note 17)	-	-	-	(101,870)	-	101,870	-
Transferred from revaluation surplus on property, plant and equipment - net of tax (note 17)	-	-	-	(15,746)	-	15,746	-
Balance as at March 31, 2020	77,686	259	25,823	1,095,836	3,329,991	(725,920)	3,803,675

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

Altaf Hashwani
Chairman

Arshad Shehzada
Chief Executive Officer

S. Haider Mehdi
Chief Financial Officer

Unconsolidated Statement of Cash Flows

For the year ended March 31, 2020

	Note	2020	2019
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	38	1,508,733	(522,420)
Financial charges paid		(385,875)	(218,067)
Taxes paid		(302,731)	(288,704)
Decrease / (increase) in long-term deposits		3,781	(8,821)
Decrease in long-term loans		94	331
Net cash generated from / (used in) operating activities		824,002	(1,037,681)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(58,562)	(50,780)
Proceeds from disposal of operating fixed assets		275,109	7,798
Net cash generated from / (used in) investing activities		216,547	(42,982)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from director		(195,000)	-
Net cash flows generated from financing activities		(195,000)	-
Net increase / (decrease) in cash and cash equivalents during the year		845,549	(1,080,663)
Cash and cash equivalents at the beginning of the year		(3,050,580)	(1,969,917)
Cash and cash equivalents at the end of the year	39	(2,205,031)	(3,050,580)

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

Altaf Hashwani
Chairman

Arshad Shehzada
Chief Executive Officer

S. Haider Mehdi
Chief Financial Officer

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

1 THE COMPANY AND ITS OPERATIONS

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

1.2 These financial statements are the separate unconsolidated financial statements of Exide Pakistan Limited. In addition to these unconsolidated financial statements, consolidated financial statements of Exide Pakistan Limited and its subsidiary company, Chloride Pakistan (Private) Limited (CPL) have been presented separately.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

2.2 Accounting convention

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

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

There are certain new standards, interpretations and amendments to accounting and reporting standards which are applicable for the first time on the Company's accounting periods beginning on or after April 1, 2019. The details of these standards are given below.

2.3.1 IFRS 9: 'Financial instruments'

2.3.1.1 Effective from April 1, 2019, the Company has adopted IFRS 9, 'Financial instruments' which has replaced IAS 39, 'Financial instruments: recognition and measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has an impact on the assets of the Company which are exposed to credit risk.

2.3.1.2 The adoption of IFRS 9 from April 1, 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the unconsolidated financial statements. The new accounting policies (as well as the previous IAS 39 accounting policies applied in the comparative period) are set out in note 4.3. However, in accordance with the transitional provisions in IFRS 9, the Company has an option of not restating comparative figures. As a result, the adjustments arising from the new impairment rules are therefore not reflected in the unconsolidated statement of financial position as at March 31, 2019, but are recognised in the opening statement of financial position on April 1, 2019.

"The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included."

	As at April 1, 2019 - as previously stated	Impact of adoption of IFRS 9	As at April 1, 2019 - as restated
	(Rupees '000)		
ASSETS			
Non-current assets			
Long-term deposits - increase in provision of long-term deposits	46,814	(553)	46,261
Current assets			
Trade debts (net of provision) - increase in provision of doubtful trade debts	3,565,856	(17,207)	3,548,649
EQUITY AND LIABILITIES			
Share capital and reserves			
Accumulated losses	(262,021)	(17,760)	(279,781)

Bank balances which are subject to credit risk are with financial institutions having high credit ratings. Loans, advances and other receivables of the Company that are exposed to credit risk pertain to receivable from counterparties that have a history of very low defaults. Therefore, the impact of ECL on these balances would be very minimal and hence, the same has not been accounted for in these unconsolidated financial statements.

This change in accounting policy has no impact on unconsolidated statement of profit or loss and other comprehensive income and unconsolidated statement of cash flows.

2.3.1.3 The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. To measure the expected credit losses, trade debts have been grouped based on days past due. On that basis, the loss allowance as at April 1, 2019 (on adoption of IFRS 9) and as at March 31, 2020 was determined as follows for trade debts:

April 1, 2019	Not Yet Due	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	150+ Days	Total
	(Rupees '000)							
Expected Loss rate	0.25%	0.99%	1.86%	3.42%	5.40%	9.05%	13.86%	
Gross carrying amount- trade debts	1,502,913	1,249,887	394,766	46,902	148,982	40,539	233,929	3,617,918
Loss allowance	3,810	12,379	7,343	1,603	8,042	3,668	32,424	69,269

March, 31 2020	Not Yet Due	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	150+ Days	Total
	(Rupees '000)							
Expected Loss rate	0.21%	0.64%	1.22%	2.20%	3.53%	5.76%	8.34%	
Gross carrying amount- trade debts	741,689	1,214,946	41,144	407,097	174,445	121,313	530,537	3,231,171
Loss allowance	1,534	7,788	503	8,971	6,164	6,985	44,224	76,169

For all other financial assets, a life time ECL is recorded in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and for financial assets which are credit impaired as on reporting date. A 12 months ECL is recorded for all other financial assets which do not meet the criteria for SICR or "credit impaired" as at reporting date. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company also considers reasonable and supportive forwarding-looking information in determination of ECL.

2.3.1.4 Reclassifications of financial instruments on adoption of IFRS 9

On the date of initial application, April 1, 2019, the financial instruments of the Company were as follows, with any reclassifications noted:

	Carrying amount		
	Original - IAS 39 (Loans and Receivables)	New - IFRS 9 (At Amortised Cost)	Difference
	(Rupees '000)		
Non-current assets			
Long-term loans	585	585	-
Long-term deposits	46,814	46,261	553
Current assets			
Trade debts	3,565,856	3,548,649	17,207
Loans and advances	1,346	1,346	-
Trade deposits and other receivables	30,528	30,528	-
Cash and bank balances	149,083	149,083	-

2.3.2 IFRS 15: 'Revenue from contracts with customers'

IFRS 15, 'Revenue from contracts with customers' (effective from annual reporting periods beginning on or after July 1, 2018) - IFRS 15 has replaced the previous revenue standards: IAS 18, 'Revenue', IAS 11, 'Construction Contracts', and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue when the control of goods or services have been transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The adoption of this standard did not have any impact on the unconsolidated financial statements of the Company on the date of its initial adoption.

2.3.3 IFRS 16: 'Leases'

IFRS 16, 'Leases' (effective from annual reporting periods beginning on or after January 1, 2019) - IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On the adoption of IFRS 16 as at April 1, 2019, the Company has decided to apply the recognition exemptions under IFRS 16 and all the leases of the Company have been classified as short term leases. Accordingly, the applicability of this standard did not have any impact on the unconsolidated financial statements of the Company as at April 1, 2019.

2.3.4 There are certain amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after April 1, 2019 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

2.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in the current year:

2.4.1 The following standards, amendments and interpretations with respect to published accounting and reporting standards would be effective from the date mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations and amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020

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

2.4.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after April 1, 2020 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

2.5 During the current year, the Company has changed its accounting policy in respect of the presentation of components of 'Other Comprehensive Income' by including a single statement titled 'Statement of Profit or Loss and Other Comprehensive Income'. Previously, components of other comprehensive income were shown in a separate statement titled 'Statement of Other Comprehensive Income'. As a result of the above change, single statement is now being presented i.e. 'Statement of Profit or Loss and Other Comprehensive Income'. This change in accounting policy has been made for better presentation and has been applied retrospectively.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Estimation of provision against doubtful trade debts (notes 4.3.1.2, 4.6 and 11);
ii) Provision against battery warranty claims (notes 4.10 and 20.2);
iii) Provision against slow moving and obsolete stock-in-trade (notes 4.5 and 10.1);
iv) Provision against slow moving and obsolete stores and spares (notes 4.4 and 9);
v) Estimation of liability in respect of staff retirement gratuity (notes 4.12 and 34);
vi) Provision for taxation (notes 4.14, 18 and 32);
vii) Estimation of useful lives and depreciation rates of property, plant and equipment (notes 4.1 and 5); and
viii) Accounting for lease liability and right of use assets (note 4.1.3).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting polices applied in the preparation of these unconsolidated financial statements are set out below. These polices have been consistently applied to all the years presented except for the changes as disclosed in notes 2.3 and 2.5 to these financial statements.

4.1 Property, plant and equipment

4.1.1 Operating assets

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

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

Depreciation on all property, plant and equipment is charged using the straight line method in accordance with the rates specified in note 5.1.1 to these unconsolidated financial statements and after taking into account residual values, if significant. The revalued amount of leasehold land and buildings on leasehold land is amortised / depreciated equally over the remaining life from the date of revaluation. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

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

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

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

4.1.2 Capital work-in-progress

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

4.1.3 Leases

The company leases various offices and warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until March 31, 2019, leases were classified as either finance or operating leases. Payments made under operating leases were charged to the unconsolidated statement of profit or loss on a straight-line basis over the period of the lease.

From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the unconsolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the unconsolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less

4.2 Intangible assets

Intangible asset acquired by the Company are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the intangible asset and bring them to use. The cost of intangible asset is amortised using the straight line method in accordance with the rate specified in note 5.2 to these unconsolidated financial statements.

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

4.3 Financial instruments under IFRS 9

4.3.1 Financial assets

4.3.1.1 Classification and subsequent measurement

The Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer’s perspective, such as loans, government and corporate bonds and puttable instruments.

Classification and subsequent measurement of debt instruments depend on:

- the Company’s business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.3.1.2.

b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, recognised and measured as described in note 4.3.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the unconsolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the unconsolidated statement of profit or loss.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the unconsolidated statement of profit or loss in the period in which it arises.

4.3.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.2 Business model

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

4.3.3 SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

4.3.4 Reclassifications

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

4.3.5 Financial instruments under IAS 39

4.3.5.1 Financial assets

4.3.5.1.1 Classification

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

a) Financial assets at fair value through profit or loss

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

b) Loans and receivables

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

c) Held to maturity

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

d) Available for sale financial assets

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

4.3.5.1.2 Initial recognition and measurement

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

4.3.5.1.3 Subsequent measurement

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

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

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

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

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

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

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

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

4.3.5.1.4 Impairment

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

a) Assets carried at amortised cost

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

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

b) Assets classified as 'available for sale'

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

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

4.3.5.2 Investment in subsidiary company

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

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

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

4.3.5.3 Financial liabilities

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

4.3.5.4 Derecognition

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

4.3.5.5 Offsetting of financial assets and liabilities

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

4.4 Stores and spares

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

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

4.5 Stock-in-trade

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

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

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

4.6 Trade debts and other receivables

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

4.7 Cash and cash equivalents

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

4.8 Borrowings and borrowing costs

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

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

4.9 Trade and other payables

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

4.10 Provision against battery warranty claims

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

4.11 Provisions

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

4.12 Staff retirement benefits

The Company operates:

(a) an approved funded gratuity plan covering all eligible employees. A separate fund is being maintained by the Company for employees of Automotive Battery Company Limited (now merged with and into the Company). Annual contributions to the funds are made based on actuarial recommendations. The most recent actuarial valuation was carried out during the year ended March 31, 2020 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the unconsolidated statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur; and

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

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

4.13 Employees' compensated absences

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

4.14 Taxation

Current

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

Deferred

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

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

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

4.15 Impairment

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

4.16 Revenue recognition

The Company recognises revenue from sale of goods when the goods are transferred to the customer and the performance obligations are fulfilled. Goods are considered to be transferred when the control belongs to the customer.

Therefore, the Company recognises revenue based on the following principles:

- identification of customer contracts;
- identification of performance obligations;
- determination of transaction price in the contract;
- allocation of price to performance obligations; and
- recognition of revenue when the performance obligations are fulfilled.

The Company recognises revenue from sales of goods (including scrap sales) when significant risks and rewards of ownership have been transferred to buyer and the control belongs to the customer.

4.17 Proposed dividends and transfers between reserves

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

4.18 Segment reporting

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

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

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

4.19 Functional and presentation currency

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

4.20 Foreign currency transactions

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

4.21 Basic and diluted (loss) / earnings per share

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

4.22 Non current assets classified as held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

		Note	2020	2019
5	**FIXED ASSETS**			
	Property, plant and equipment	5.1	1,339,304	1,498,995
	Intangible asset	5.2	775	8,881
			1,340,079	1,507,876
5.1	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating assets	5.1.1	1,338,944	1,498,279
	Capital work-in-progress	5.1.2	360	716
			1,339,304	1,498,995

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

5.1.1 Operating assets

	2020						
	Leasehold land	Buildings on leasehold land	Plant and machinery*	Furniture & fixtures	Office equipment and appliances	Vehicles	Total
	Rupees '000						
At April 1, 2019							
Cost / revalued amount	794,000	98,762	1,737,505	22,478	36,303	135,417	2,824,465
Accumulated depreciation	(15,880)	(19,538)	(1,153,498)	(14,628)	(29,187)	(93,455)	(1,326,186)
Net Book Value	778,120	79,224	584,007	7,850	7,116	41,962	1,498,279
Additions / transfer from CWIP	-	437	51,255	1,181	1,829	4,216	58,918
Surplus on revaluation during the year	589,328	19,102	-	-	-	-	608,430
Disposals - note 5.1.3							
Cost	(120,000)	(1,912)	-	-	-	(16,450)	(138,362)
Depreciation	4,200	638	-	-	-	11,711	16,549
	(115,800)	(1,274)	-	-	-	(4,739)	(121,813)
Assets held for sale - note 15							
Cost	(532,000)	(20,015)	-	-	-	-	(552,015)
Depreciation	-	-	-	-	-	-	-
	(532,000)	(20,015)	-	-	-	-	(552,015)
Depreciation charges for the year	(15,280)	(9,854)	(108,928)	(1,877)	(2,496)	(14,420)	(152,855)
Closing net book value	704,368	67,619	526,334	7,154	6,449	27,019	1,338,944
At March 31, 2020							
Cost / revalued amount	731,328	96,373	1,788,760	23,659	38,132	123,183	2,801,436
Accumulated depreciation	(26,960)	(28,754)	(1,262,426)	(16,505)	(31,683)	(96,164)	(1,462,492)
Net Book Value	704,368	67,619	526,334	7,154	6,449	27,019	1,338,944
Depreciation rate % per annum	2	10	10 - 20	10 - 20	10 - 20	10 - 20	

*This includes multiple parts of the mould having cost, accumulated depreciation and net book value of Rs. 22.423 million, Rs. 8.850 million and Rs. 13.573 million respectively. These parts have been acquired with the funds of the company but are not in the possession of the company. These assets have been given by the Company to Precision Polymers (Private Limited) for the purpose of toll manufacturing of battery containers.

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

*This includes multiple parts of the mould having cost, accumulated depreciation and net book value of Rs. 22.423 million, Rs. 6.607 and Rs. 15.816 million respectively. These parts have been acquired with the funds of the company but are not in the possession of the company. These assets have been given by the Company to Precision Polymers (Private Limited) for the purpose of toll manufacturing of battery containers.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

	2020	2019
	Rupees '000	
5.1.2 Capital work-in-progress		
Plant and Machinery	360	716

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

	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/ (Loss)	Mode of Disposals / Sattlement	Particulars of Buyers / Purchasers
	Rupees '000						
Vehicles							
Suzuki Cultus	1,677	643	1,034	1,291	257	As per Company Policy	Syed Salik Hussain*
Suzuki Cultus	1,169	701	468	772	304	As per Company Policy	Altamish Ali Shah*
Suzuki Cultus	883	883	-	328	328	As per Company Policy	Javaid Akhter*
Suzuki Cultus	1,039	1,039	-	416	416	As per Company Policy	Nazeer Noorali*
Suzuki Cultus	1,039	1,039	-	416	416	As per Company Policy	Ghazanfar Iqbal*
Suzuki Cultus	911	911	-	630	630	Negotiated	Muhammad Ali Khan*
Suzuki Mehran	678	678	-	271	271	As per Company Policy	Yasir Raza*
Suzuki Cultus	1,124	731	393	832	438	As per Company Policy	Muhammad Asif*
Suzuki Mehran	656	656	-	300	300	Negotiated	Muhammad Imran*
Suzuki Mehran	683	683	-	273	273	As per Company Policy	Ahmed Zakiuddin*
Suzuki Cultus	1,410	235	1,175	1,283	108	As per Company Policy	Qamar Abbas*
Suzuki Swift	1,375	573	802	1,083	281	As per Company Policy	Nabil Ahmed Qureshi*
Suzuki Cultus	1,039	1,039	-	416	416	As per Company Policy	Shamsuddin Shaikh*
Suzuki Cultus	1,034	1,034	-	414	414	As per Company Policy	Muhammad Jawaid*
Honda City	1,733	866	867	1,385	519	As per Company Policy	Khalid Kamboo*
	16,450	**11,711**	**4,739**	**10,109**	**5,370**		
Land and Building							
40-K, Block 6, P.E.C.H.S. Karachi.	121,912	4,838	117,074	265,000	147,926	Negotitated	Arif Hashwani
	121,912	4,838	117,074	265,000	147,926		
2020	138,362	16,549	121,813	275,109	153,296		
2019	13,939	9,804	4,135	7,798	3,663		

*These represent persons in employment of the Company.

5.1.3.1 During the year, the Company has disposed of its land and buildings located at 40-k, Block 6, P.E.C.H.S (40-K) having net book value of Rs 117.075 million.The property has been disposed of to Mr. Arif Hashwani (a director of the company) for a total consideration of Rs 265 million which resulted in a gain of Rs 147.925 million. The amount of gain has been recorded in other income. The consideration of Rs 265 million has been adjusted against interest free loan given by Mr. Arif Hashwani to the Company. The disposal consideration of the property was the market value of the property which was determined based on the latest valuation carried out by an independent valuer of the company. The movement of interest free loan is disclosed in note 22.1.1 to these unconsolidated financial statement.

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

5.1.4 At March 31, 2020, leasehold land and buildings on leasehold land of the Company were revalued resulting in a surplus of Rs 608.430 million over the net book values of Rs 436.031 million. The valuation was carried out by an independent valuer - M/s Shahani & Co. on the basis of present market values as at March 31, 2020 for similar sized plots in the vicinity and replacement values of similar type of buildings based on present cost of construction.

The following are the details of surplus;

	2020 (Rupees '000)
Total value of the surplus	608,430
Relating to operating fixed assets	328,889
Relating to assets classified as held for sale during the year	279,541

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

	2020	2019
Leasehold Land	113,406	182,557
Buildings on Leasehold Land	41,105	61,133

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

Location	Usage of immovable property	Total Area (In acres)	Covered Area (In sq.ft)
a) A/45, Hill Street, S.I.T.E. Karachi.	Manufacturing facility	2.92	90,238
b) B-119-121, 124-127, H.I.T.E., Hub Dist. Lasbella, Baluchistan	Manufacturing facility	3.91	68,000
c) E2/1/P-12 (F-11), Eastern Industrial Zone, Port Qasim Authority Area, Karachi	Manufacturing facility (Chemicals)	2.00	16,800
d) A/47, Hill Street, S.I.T.E. Karachi	Manufacturing facility	1.91	2,500
e) 62-A-I and 62-A-II, Industrial Estate, Multan	Plot	6.00	open plot

5.1.6 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 809.676 million (2019: Rs. 647.478 million).

5.2 INTANGIBLE ASSET

2020

	Cost			Accumalated Amortisation				
	As at April 1	Additions / Transfers From CWIP	As at March 31	As at April 1	Charge for the Year	As at March 31	Net Book Value as at March 31	Amortisation rate % per Annum
Software	31,649	-	31,649	22,768	8,106	30,874	775	33

2019

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

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

	Note	Amortisation		Depreciation	
		2020	2019	2020	2019
		(Rupees '000)		(Rupees '000)	
Cost of Sales	26	7,701	7,701	145,212	151,998
Selling and distribution expenses	27	162	162	3,057	3,200
Administration and general expenses	28	243	243	4,586	4,800
		8,106	8,106	152,855	159,998

6 LONG TERM INVESTMENT

Investment in related party - at cost	Percentage holding	2020	2019
Subsdiary company - unquoted		Rupees '000	
22,350 (2019 : 22,350) ordinary shares of Rs 10 each held in Chloride Pakistan (Private) Limited, a private limited company incorporated in Pakistan	100%	224	224

6.1 Chloride Pakistan (Private) Limited (CPL) has not yet commenced production. The auditors of CPL have included an emphasis of matter paragraph in their report on the matter highlighting that the financial statements for the year ended March 31, 2020 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.

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

7 LONG-TERM LOANS

	Note	2020	2019
Considered good - unsecured		(Rupees '000)	
Due from			
Executives - related party	7.1, 7.2 & 7.3	1,167	539
Employees	7.1	551	807
		1,718	1,346
Less: current portion of long-term loan	12	(1,227)	(761)
		491	585

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

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

7.2 Reconciliation of carrying amount of loans due from executives

	2020	2019
	(Rupees '000)	
Opening Balance	539	972
Disbursements during the year	2,602	900
Repayments during the year	(1,974)	(1,333)
Closing balance	1,167	539

7.3 The maximum aggregate amount due from Executives at the end of any month during the year was Rs 2.088 million (2019: Rs 1.063 million).

8 LONG-TERM DEPOSITS

	Note	2020	2019
		(Rupees '000)	
Utilities		19,708	19,708
Others		23,325	27,106
		43,033	46,814
Less: provision against long-term deposits (note 8.1)		(553)	-
		42,480	46,814

8.1 Provision against long-term deposits

Opening balance	-	-
Impact on adoption of IFRS 9 (note 2.3.1.2)	553	-
Provision made during the period / year	-	-
Closing balance	553	-

9 STORES AND SPARES

	Note	2020	2019
Spares (including in transit - Rs Nil (2019: Rs. Nil))		114,015	111,284
Stores		15,089	18,393
		129,104	129,677
Less: provision against slow moving and obsolete stores and spares	9.1	(16,783)	(13,690)
		112,321	115,987

9.1 Provision against slow moving and obsolete stores and spares

	Note	2020	2019
Opening balance		13,690	10,629
Provision made during the year	30	3,093	3,061
Closing balance		16,783	13,690

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

10 STOCK-IN-TRADE

	Note	2020	2019
Raw and packing materials and components (including goods-in-transit of Rs 151.548 million (2019: Rs 155.82 million))		1,031,491	1,043,932
Work-in-process		321,260	440,877
Finished goods (including in transit of Rs. 27.328 million (2019: Rs. 44.04 million))		562,587	724,931
		1,915,338	2,209,740
Less: provision against slow moving and obsolete stock-in-trade	10.1	(34,262)	(33,307)
		1,881,076	2,176,433

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

	Note	2020	2019
Opening Balance		33,307	29,458
Provision made during the year	30	955	4,688
Provision written back		-	(839)
Closing Balance		34,262	33,307

10.2 Raw materials and components amounting to Rs 29.98 million (2019: Rs 30.934 million), Rs 0.244 million (2019: Rs 0.43 million) and Rs 0.025 million (2019: Rs 0.125 million) were held by Precision Polymers (Private) Limited, Wakil Enterprises and Nobel Enterprises, respectively, who under an arrangement with the Company, manufacture plastic containers, lids and vent plugs for the Company.

11 TRADE DEBTS (unsecured)

	Note	2020	2019
		(Rupees '000)	
Considered			
- good		3,155,002	3,565,856
- doubtful		76,169	52,062
		3,231,171	3,617,918
Less: provision against doubtful trade debts	11.1	(76,169)	(52,062)
		3,155,002	3,565,856

11.1 Provision against doubtful trade debts

	Note	2020	2019
Opening Balance		52,062	44,528
Impact on adoption of IFRS 9 (note 2.3.1.2)		17,207	-
Provision made during the year	30	6,900	7,534
Closing balance		76,169	52,062

11.2 The age analysis of the trade debts and the corresponding provision is disclosed in note 2.3.1.3.

12 LOANS AND ADVANCES

	Note	2020	2019
		(Rupees '000)	
Considered good - unsecured			
Current portion of long term loans due from employees and executives	7	**1,227**	761
Advances to:			
- employees	12.1	**987**	-
- suppliers		**28,806**	25,719
		31,020	26,480

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

13 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2020	2019
		(Rupees '000)	
Prepayments		**15,992**	34,029
Insurance claims		**-**	3,700
Receivable from defined benefit plans - related party	13.1	**17,037**	24,686
Workers' Profits Participation Fund	13.2	**3,315**	3,315
Container deposits		**2,105**	900
Others		**1,248**	1,242
		39,697	67,872

13.1 Receivable from defined benefit plans

	2020			2019		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees '000)					
Balance at April 1	**(20,783)**	(3,903)	(24,686)	**(24,274)**	(2,630)	(26,904)
Charge for the year	**1,652**	(449)	1,203	**1,976**	(1,672)	304
Other comprehensive income	**5,208**	1,697	6,905	**1,804**	399	2,203
Contributions paid	**(459)**	-	(459)	**(289)**	-	(289)
Balance at March 31	**(14,382)**	(2,655)	(17,037)	**(20,783)**	(3,903)	(24,686)

13.1.1 The details of defined benefit plan and the related disclosures are given in note 34 to unconsolidated financial statements

13.2 Workers' Profits Participation Fund

	Note	2020	2019
		(Rupees '000)	
Balance at April 1		(3,315)	(1,272)
Allocation for the year	30	-	-
		(3,315)	(1,272)
Less amount paid during the year		-	(2,043)
Balance at March 31		(3,315)	(3,315)

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

14 CASH AND BANK BALANCES

	2020	2019
	(Rupees '000)	
Balances with banks - current accounts	139,887	73,081
Cheques in hand	139	75,851
Cash in hand	227	151
	140,253	149,083

15 ASSETS CLASSIFIED AS HELD FOR SALE

	2020	2019
Land	532,000	-
Building	20,015	-
	552,015	-

15.1 The Company owns an industrial land measuring 2.61 acres located at plot no D-7, S.I.T.E., Karachi and buildings thereon (the property). The Company operates its sulphuric acid plant, batteries charging facilities and lead recovery plant at this property.

The Company has entered into an "Agreement to assignment" (an agreement to sell) on March 16, 2020 for disposal of this property with M/s Hassanali Sons ("The Buyer"- a related party and a partnership firm in which the major shareholders namely Mr. Arif Hashwani, Mr. Altaf Hashwani and Mr. Hussain Hashwani are the partners).

The Company engaged the services of two professional valuers for assessing the market value of this property and disposed of the property at the higher of the two valuations. The higher market value assessed by the professional valuer as per its report dated January 15, 2020 was Rs. 552.015 million (comprising of Rs. 532 million in respect of land and Rs. 20.015 million in respect of building).

The disposal transaction to M/s Hassanali Sons was approved by the board of directors and the shareholders of the Company on January 30, 2020 and March 13, 2020 respectively.

A formal sale deed for the transfer of this property in the name of the buyer was not executed till March 31, 2020 as the registrar office in Karachi was closed due to COVID-19 situation in the country and the company could not complete the transfer formalities until March 31, 2020.

As at March 31, 2020 the management has recorded a liability of Rs. 552.015 million representing advance received against disposal of this property from M/s Hassanali sons in trade and other payable. (Note 20).

In accordance with the requirement of IFRS 5 : ‘ non current asset held for sale and discontinued operations’ this property has been classified as held for sale in the financial statements for the year ended Mar 31, 2020 and has been carried at lower of carrying amount (last revalued on January 15, 2020 and the company is carrying a surplus on revaluation of Rs. 502.787 million on this property) and fair value less cost to sell.

In order for the company to continue its manufacturing facility. M/s Hassanali sons intends to allow the company to use this property initially without rent. Upon Improvement of operating performance of the company, the company will start rent payment for this property to M/s Hassanali sons at prevailing market rate.

16 ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL

2020	2019		2020	2019
(Number of shares)			(Rupees ‘000)	
359,248	359,248	ordinary shares of Rs 10 each issued as fully paid in cash	3,592	3,592
20,894	20,894	ordinary shares of Rs 10 each issued for consideration other than cash	209	209
7,144,309	7,144,309	Ordinary shares of Rs 10 each issued as fully paid bonus shares	71,443	71,443
244,167	244,167	Ordinary shares of Rs 10 each issued to minority shareholders of Automotive Battery Company Limited	2,442	2,442
7,768,618	7,768,618		77,686	77,686

16.1 Shares held by the related parties of the Company

Name of the shareholders	2020	2019
	(Number of shares)	
Arif Hashwani	4300	500
Hussain Hashwani	1,250,601	1,250,601
Altaf Hashwani	1,412,945	1,412,945
S. Haider Mehdi	652	652
Syed Muhammad Faiq	87	87
Ms. Sana Arif Hashwani	1,604,553	1,593,053
Ms. Zaver Hashwani	1,595,687	1,595,687
Ayub Hameed	100	100
Arshad Shehzada	13	13

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

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

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

	Note	2020	2019
		(Rupees '000)	
Surplus on revaluation of operating fixed assets as at April 1	5.1.4	613,654	629 ,937
Surplus arising on revaluation during the year		608,430	-
Transferred to unappropriated profit / (accumulated loss) in respect of disposal of property plant and equipment		(102,421)	-
Transferred to unappropriated profit / (accumulated loss) in respect of incremental depreciation charged during the year		(16,632)	(16,283)
Surplus on revaluation of operating fixed assets as at March 31		1,103,031	613,654
Less: related deferred tax liability:			
- at beginning of the year		4,522	5,144
- on surplus arising on revaluation during the year		3,584	-
- on adjustment due to change in tax rate		526	73
- on assets disposed off during the year		(551)	-
- on incremental depreciation charged during the year		(886)	(695)
		7,195	4,522
		1,095,836	609,132

18 DEFERRED TAXATION - NET

	Note	2020	2019
		(Rupees '000)	
Deferred tax liability arising on taxable temporary differences due to:			
- Accelerated tax depreciation		38,271	47,151
- Revaluation surplus on property, plant and equipment	17	7,195	4,522
- Provision for gratuity		4,941	6,172
		50,407	57,845
Deffered tax assets arising on deductible temporary differences due to:			
- Provision against slow moving and obsolete stock-in-trade		(9,936)	(8,327)
- Provision against slow moving and obsolete stores and spares		(4,867)	(3,423)
- Provision against doubtful trade debts		(22,089)	(13,016)
- Provision against battery warranty claims		(13,515)	(33,079)
		(50,407)	(57,845)
		-	-

19 LONG TERM LOAN

	2020	2019
	(Rupees '000)	
Term loan	221,894	-

19.1 During the year the Company entered into an agreement with Habib Bank Limited to restructure its borrowing facility. As per the restructuring terms, the running finance facility limit of the Company has been revised from Rs 373 million to Rs 100 million and the outstanding amount of running finance facilities amounting to Rs 226.5 million (in excess of Rs 100 million) has been converted into a term loan and is now repayable in 24 monthly instalments with a grace period of four months starting from July 31, 2020. The restructuring of the loan has resulted in modification of the terms of the loan under the requirements of IFRS 9: "financial instrument". As a result of this arrangement, the old outstanding loan liability has been de-recognized as per the requirements of IFRS 9 and a new liability has been recognized which has resulted in gain of Rs. 4.606 million. The loan is secured by way of joint / first pari passu hypothecation charge of Rs. 7.175 million on stocks and book debts of the Company.

20 TRADE AND OTHER PAYABLES

	Note	2020	2019
		(Rupees '000)	
Trade Creditors		656,185	408,250
Bills Payable		130,181	150,162
Accured Liabilities	20.1	169,600	258,458
Advances from Customers		100,918	25,319
Provision for Workers' Welfare Fund		32,051	32,051
Provision Against Battery Warranty Claims	20.2	95,432	133,411
Payable to Provident Funds		2,003	1,878
Royalty Payable		7,836	7,891
Sales Tax Payable		31,906	156,231
Insurance claims		525	-
Advance payment received against assets classified as held for sale	15.1	552,015	-
Others	20.3	6,237	8,570
		1,784,889	1,182,221

20.1 This includes an amount of Rs 4.906 million (2019: Rs 4.907 million) in respect of employees compensated absences.

20.2 Provision Against Battery Warranty Claims

	Note	2020	2019
		(Rupees '000)	
Balance at April 1		133,411	116,687
Charge for the year	27	244,693	364,268
Claims paid during the year		(282,672)	(347,544)
Balance at March 31		95,432	133,411

20.3 This includes an amount of Rs 0.006 million (2019: Rs 0.011 million) payable to the subsidiary company, Chloride Pakistan (Private) Limited (CPL).

20.4 Based on the un-audited financial information of the provident and gratuity funds ('the Funds') as at March 31, 2020, investments by the provident and gratuity funds have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the conditions specified thereunder.

21 ACCRUED PROFIT / MARK-UP

	2020	2019
	(Rupees '000)	
Profit accrued on:		
- Running Musharakah	61,029	53,476
- Tijarah	8,812	-
- Istisna	-	10,540
	69,841	64,016
Markup accrued on:		
- Running Finance	29,095	17,667
	98,936	81,683

22 LOAN FROM DIRECTOR

	Note	2020	2019
Unsecured			
- Loan from Director	22.1	110,550	305,550

22.1 This represents loan provided by Mr. Arif Hashwani the Director of the Company for meeting the working capital requirements of the Company. The loan is unsecured and does not carry any interest. During the current year, the Company has received the extension in repayment of loan till March 2021. The following is the movement of this loan.

22.1.1 Movement of Loan from directors

	As at March 31, 2019	Receipts	Payments / Adjustment *	As at March 31, 2020
	(Rupees' 000)			
Loan from directors	305,550	90,000	(285,000)	110,000

*This includes adjustment amounting to Rs. 265 million against disposal property as disclosed in note 5.1.3.1.

23 SHORT-TERM BORROWINGS

	Note	2020	2019
		(Rupees '000)	
From banking companies - secured	23.1		
- Running Musharakah		965,952	1,924,873
- Tijarah		500,000	-
- Istisna		-	399,422
		1,465,952	2,324,295
- Running finance (note 18.1)		879,332	875,368
		2,345,284	3,199,663

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23.1 These facilities, representing Running Musharakah, Istisna and Running Finance facilities, are available from certain commercial banks up to Rs. 3,610 million (2019: Rs. 4,459 million) and carry profit / mark-up rates ranging from 11.14% to 15.73 % (2019: 10.52% to 11.12%) per annum. These facilities are valid until November, 2020 and are generally renewable. At March 31, 2020, unutilised facilities available to the Company aggregated to Rs. 769 million (2019: Rs.1,259 million).

23.2 At March 31, 2020, unutilised letter of credit and letter of guarantee facilities from certain banks amounted to Rs. 2,097 million (2019: Rs. 4,262 million) in addition to the limit mentioned in note 23.1. Total letter of credit and letter of guarantee facilities sanctioned to the Company amounted to Rs. 2,571 million (2019: Rs. 4,471 million).

23.3 All the above mentioned facilities are secured by way of pari passu and joint hypothecation charge over the Company's present and future stock-in-trade and trade debts.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 Automotive Battery Company Limited (merged with Exide Pakistan Limited in prior years) had claimed carry over of tax holiday losses beyond the tax holiday period for set off against the profits of taxable period. The tax benefit claimed by the Company amounted to approximately Rs 24 million. This was adjudicated by the Income Tax Appellate Tribunal in the Company's favour and on a reference application for assessment years 1988-89,1989-90 and 1990-91 by the Income Tax Department, the Tribunal referred the question of law to the Honorable Sindh High Court, which upheld the order of the Tribunal vide its judgment dated January 27, 2006. The Tax Department has filed a further appeal before the Supreme Court of Pakistan against the judgment of the High Court which is currently pending. Based on the legal advice from the Company's lawyers and in view of the initial success upto the High Court level, the Company expects the final outcome to be in its favour and accordingly provision has not been made in these unconsolidated financial statements in respect of this amount.

24.1.2 The Company received a notice from the Directorate of Intelligence and Investigation – the Federal Board of Revenue (FBR), Lahore on April 15, 2011. In the said notice it was alleged that the Company had purchased goods from certain dummy / fake suppliers (suppliers) who got themselves registered with the Regional Tax Officers at Lahore, Faisalabad and Karachi. These suppliers issued fake sales tax invoices to the Company and accordingly the Company had claimed illegal / inadmissible input tax adjustment amounting to Rs 157.297 million for the period from July 2005 to February 2011. As a result the name of the Company was included as an accused person in the First Information Report (FIR) No. 04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation – FBR, Lahore.

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

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

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

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

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

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

24.1.5 The Additional Director and Deputy Director of Directorate of Intelligence & Investigation (Inland Revenue), Karachi ("the Directorate") raided the registered office of the Company under section 38 of The Sales Act, 1990. The officials collected certain information from the Company. The purpose of the raid was not disclosed by the authorities and the Company believes that the raid conducted by the Directorate was illegal. The Honorable High Court of Sindh has served a notice to the Company on May 24, 2019 by giving reference to the order of the Honorable Supreme Court of Pakistan for payment of minimum of 50 percent of the tax liability calculated by the Income Tax Authorities belonging to this raid. The Company was required to pay the amount before May 30, 2019. The Company had filed a constitution petition in the Honorable Sindh High Court and requested that no coercive action against the Company should be taken. The hearing of the case has been adjourned many times and could not be held after the initial directive. The last date of hearing was fixed for March 26, 2020. However, due to the lockdown, the hearing could not take place as the courts were closed. The Company based on the advice of its legal counsel believes that the matter will be decided in the favour of the Company. No specific provision has been recognised in respect of the above matter in the unconsolidated financial statements as the details of eventual payment, if any, and the details of claims or defendant are not raised / communicated by the department and management is confident that there will not be any potential liability on this matter.

24.2 Commitments

24.2.1 Commitments in respect of:

	2020	2019
	(Rupees '000)	
Capital expenditure contracted for but not incurred	3,153	1,183
Letters of credit	323,584	159,541
Letters of guarantee	193,430	49,225

Notes to and Forming Part of the Unconsolidated Financial Statements

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25 SALES - net

	Note	Batteries 2020	Batteries 2019	Chemicals and Solar 2020	Chemicals and Solar 2019	Total 2020	Total 2019
		(Rupees '000)					
Sales		10,702,862	12,143,998	598,656	397,176	11,301,518	12,541,174
Sales tax		1,578,892	1,941,028	62,929	57,710	1,641,821	1,998,738
Discounts to distributors and customers		937,414	1,035,857	-	-	937,414	1,035,857
		2,516,306	2,976,885	62,929	57,710	2,579,235	3,034,595
Net sales		8,168,556	9,167,113	535,727	339,466	8,722,283	9,506,579

26 COST OF SALES

	Note	Batteries 2020	Batteries 2019	Chemicals and Solar 2020	Chemicals and Solar 2019	Total 2020	Total 2019
Opening stock		988,004	1,128,024	55,929	8,729	1,043,933	1,136,753
Purchases		6,106,402	7,136,234	535,111	247,930	6,641,513	7,384,164
		7,094,406	8,264,258	591,040	256,659	7,685,446	8,520,917
Closing stock		(1,010,621)	(988,004)	(20,870)	(55,929)	(1,031,491)	(1,043,933)
Raw and packing materials consumed		6,083,785	7,276,254	570,170	200,730	6,653,955	7,476,984
Salaries, wages and benefits	26.1	295,142	303,855	34,613	30,559	329,755	334,414
Spares consumed		44,341	53,072	-	-	44,341	53,072
Rent, rates and taxes	26.2	2,632	1,345	1,280	162	3,912	1,507
Fuel, power and water		338,852	324,319	49,119	41,273	387,972	365,592
Insurance		26,301	25,420	1,793	1,751	28,094	27,171
Repairs and maintenance		50,994	57,512	8,996	9,637	59,990	67,149
Depreciation	5.3	139,143	146,570	6,069	5,428	145,212	151,998
Amortisation	5.3	7,379	7,426	322	275	7,701	7,701
General expenses		46,180	49,841	6,091	5,645	52,271	55,486
Opening stock of work-in-process		438,445	450,546	2,432	2,271	440,877	452,817
Closing stock of work-in-process		(319,903)	(438,445)	(1,357)	(2,432)	(321,260)	(440,877)
Cost of goods manufactured		7,153,291	8,257,715	679,529	295,299	7,832,820	8,553,014
Opening stock of finished goods		714,393	696,760	10,538	9,512	724,931	706,272
		7,867,684	8,954,475	690,067	304,811	8,557,751	9,259,286
Closing stock of finished goods		(362,778)	(714,393)	(199,809)	(10,538)	(562,587)	(724,931)
		7,504,906	8,240,082	490,258	294,273	7,995,164	8,534,355

26.1 Salaries, wages and benefits include Rs 10.318 million (2019: Rs 8.521 million) in respect of staff retirement benefits.

26.2 The Company has a rent free tenancy agreement with Zaver Enterprises (related party) therefore, no rent has been charged during this year.

Notes to and Forming Part of the Unconsolidated Financial Statements

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27 SELLING AND DISTRIBUTION EXPENSES

	Note	Batteries 2020	Batteries 2019	Chemicals and Solar 2020	Chemicals and Solar 2019	Total 2020	Total 2019
		(Rupees '000)					
Salaries, wages and benefits	27.1	98,825	92,822	16,578	513	115,403	93,335
Repairs and maintenance		702	1,152	98	-	800	1,152
Royalty	27.2	7,836	7,891	-	-	7,836	7,891
Advertising and promotion		84,340	172,915	470	-	84,810	172,915
Rent, rates and taxes		22,722	23,788	3,378	-	26,100	23,788
Insurance		20,642	23,341	22	-	20,664	23,341
Printing and stationery		765	1,047	-	-	765	1,047
Carriage and forwarding		195,334	195,174	4,506	3,366	199,840	198,540
Battery waranty claims	20.2	244,693	364,268	-	-	244,693	364,268
Travelling, conveyance and entertainment		21,763	22,856	2,726	-	24,489	22,856
Depreciation	5.3	2,929	3,086	128	114	3,057	3,200
Amortisation	5.3	155	156	7	6	162	162
Postage, telegram, telephone and telex		2,095	2,330	109	-	2,204	2,330
General expenses		25,286	23,253	1,831	154	27,117	23,407
		728,089	934,079	29,851	4,153	757,940	938,232

27.1 Salaries, wages and benefits include Rs 1.330 million (2019: Rs 1.672 million) in respect of staff retirement benefits.

27.2 Royalty is paid by the Company to The Furukawa Battery Company Limited, Japan, having its registered office at 4-1, Hoshikawa 2-Chome, Hodogaya-Ku, Yokohama-Shi, Kanagawa-Ken, Japan, and has been computed in accordance with the provisions of the agreements between The Furukawa Battery Company Limited, Japan and Exide Pakistan Limited.

28 ADMINISTRATION AND GENERAL EXPENSES

	Note	Batteries 2020	Batteries 2019	Chemicals and Solar 2020	Chemicals and Solar 2019	Total 2020	Total 2019
		(Rupees '000)					
Salaries, wages and benefits	28.1	78,154	83,660	2,312	2,055	80,466	85,715
Repairs and maintenance		5,926	5,120	147	127	6,073	5,247
Legal and professional charges		7,177	4,367	257	107	7,434	4,474
Rent, rates and taxes		77	279	2	7	79	286
Insurance		944	1,061	23	26	967	1,087
Depreciation	5.3	4,394	4,629	192	171	4,586	4,800
Amortisation	5.3	233	234	10	9	243	243
Printing and stationery		1,118	1,760	27	43	1,145	1,803
Travelling, conveyance and entertainment		6,249	7,456	153	183	6,402	7,639
Communication and postage		2,024	2,106	50	52	2,074	2,158
General expenses		6,783	8,193	167	213	6,950	8,406
		113,078	118,865	3,340	2,993	116,419	121,858

28.1 Salaries, wages and benefits include Rs 1.232 million (2019: Rs 1.548 million) in respect of staff retirement benefits.

Notes to and Forming Part of the Unconsolidated Financial Statements

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29 OTHER INCOME

	Note	2020	2019
		(Rupees '000)	
Profit on margin deposits		3,714	1,301
Gain on disposal of property, plant and equipment (note 5.1.3)		153,296	3,663
Scrap sales		3,144	6,356
Gain on modification of terms of financial liability (note 19.1)		4,606	-
Reversal of rent		-	7,199
Other		1,800	-
		166,560	18,519

30 OTHER OPERATING CHARGES

	Note	2020	2019
		(Rupees '000)	
Auditors' remuneration	30.1	6,180	4,619
Workers' Profits Participation Fund	13.2	-	-
Workers' Welfare Fund		-	-
Donations	30.2	645	499
Provision against doubtful trade debts	11.1	6,900	7,534
Provision against slow moving and obsolete stores and spares	9.1	3,093	3,061
Provision against slow moving and obsolete stock-in-trade	10.1	955	4,688
Bank charges		9,305	7,535
Exchange loss		24,933	54,449
		52,011	82,385

30.1 Auditors' remuneration

	2020	2019
Audit fee	2,529	1,779
Tax advisory services	1,668	857
Fee for the review of half yearly financial statement	506	506
Special reports and certifications, audit of provident and gratuity funds	894	894
Out of pocket expenses	583	583
	6,180	4,619

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

31 FINANCE COST

	Note	2020	2019
		(Rupees '000)	
Profit on short-term running musharakah		251,203	171,023
Profit on short-term Tijarah		8,812	-
Profit on short-term istisna		11,095	35,680
Mark-up on short-term running finance		132,018	52,403
		403,128	259,106

32 TAXATION - NET

	2020	2019
	(Rupees '000)	
Current - for the year	129,182	110,907
- for prior years	(4,592)	(8,190)
Deferred - net	(1,557)	(9,044)
	123,033	**93,673**

32.1 Tax charge for the year ended March 31, 2020 represents minimum tax payable under the Income Tax Ordinance, 2001, and for this reason, relationship between tax expense and accounting profit has not been presented.

32.2 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:

	Provision for taxation	Tax assessed	Excess / (shortage)
		(Rupees '000)	
2019	110,907	106,315	4,592
2018	153,768	145,578	8,190
2017	353,007	344,644	8,363

33 LOSS PER SHARE (LPS)

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

	2020	2019
	(Rupees '000)	
Loss after taxation attributable to ordinary shareholders	(558,852)	(504,511)
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	7,768,618	7,768,618
	(Rupees)	
Loss per share (LPS)	(71.94)	(64.94)

33.1 A diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2020 and 2019 which would have any effect on the loss per share if the option to convert is exercised.

34 DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

34.1 Defined benefit plan - Staff retirement gratuity plan

General description

As mentioned in note 4.12 (a), the Company operates an approved funded gratuity plan covering all eligible employees. The latest actuarial valuation of the plan has been carried out as at March 31, 2020 and expense and remeasurement gain / loss has been recorded based on this latest actuarial valuation report. Presently, separate funds are operating for the employees of Exide Pakistan Limited (Exide) and Ex-Automotive Battery Company Limited (ABCL) respectively as permitted under the scheme of amalgamation.

Principal actuarial assumptions

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

	2020		2019	
	Exide	ABCL	Exide	ABCL
a. Valuation discount rate	9.50%	9.50%	13.25%	13.25%
b. Salary increase rate	9.50%	9.50%	13.25%	13.25%
c. Expected rate of return on plan assets	9.50%	9.50%	13.25%	13.25%

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

The gratuity scheme exposes the entity to the following risks:

Mortality risks

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

Investment risks

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

Final salary risks

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

Risk of insufficiency of assets

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

Withdrawal risk

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

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

		2020			2019		
	Note	Exide	ABCL	Total	Exide	ABCL	Total
		(Rupees '000)					
Present value of defined benefit obligation	34.1.2	**37,223**	3,274	40,497	**36,232**	3,170	39,402
Less: fair value of plan assets	34.1.2	**(51,605)**	(5,929)	(57,534)	**(57,015)**	(7,073)	(64,088)
		(14,382)	(2,655)	(17,037)	**(20,783)**	(3,903)	(24,686)

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

34.1.2 Plan assets comprise of the following:

	2020			
	Rupees '000)	Percentage composition	Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt instruments	17,022	33%	-	-
Mutual funds	9,095	18%	1,546	26%
Equity instruments	392	1%	347	6%
Cash at bank	25,096	49%	4,036	68%
	51,605	100%	5,929	100%

	2019			
	Rupees '000)	Percentage composition	Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt instruments	44,730	78%	3,714	52%
Mutual funds	11,582	20%	2,549	36%
Equity instruments	392	1%	347	5%
Cash at bank	311	1%	463	7%
	57,015	100%	7,073	100%

	2020						
	Present value of obligation	Fair value of plan assets	Sub-total	Present value of obligation	Fair value of plan assets	Sub-total	Total
	EXIDE			ABCL			
	(Rupees' 000)						
At April 1	36,232	(57,015)	(20,783)	3,170	(7,073)	(3,903)	(24,686)
Current service cost	4,808	-	4,808	69	-	69	4,877
Interest expense / (income)	4,110	(7,266)	(3,156)	373	(891)	(518)	(3,674)
Past service cost	-	-	-	-	-	-	-
	45,150	(64,281)	(19,131)	3,612	(7,964)	(4,352)	(23,483)
Remeasurements:							
- Return on plan assets, excluding amount included in interest	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	(3,236)	8,444	5,208	365	1,332	1,697	6,905
	(3,236)	8,444	5,208	365	1,332	1,697	6,905
Contribution	-	(459)	(459)	-	-	-	(459)
Benefit payments	(4,691)	4,691	-	(703)	703	-	-
At March 31	37,223	(51,605)	(14,382)	3,274	(5,929)	(2,655)	(17,037)

	2019						
	Present value of obligation	Fair value of plan assets	Sub-total	Present value of obligation	Fair value of plan assets	Sub-total	Total
	EXIDE			ABCL			
	(Rupees' 000)						
At April 1	34,956	(59,230)	(24,274)	13,109	(15,739)	(2,630)	(26,904)
Current service cost	4,150	-	4,150	659	-	659	4,809
Interest expense / (income)	2,865	(5,039)	(2,174)	768	(998)	(230)	(2,404)
Past service cost	-	-	-	(2,101)	-	(2,101)	(2,101)
	41,971	(64,269)	(22,298)	12,435	(16,737)	(4,302)	(26,600)
Remeasurements:							
- Return on plan assets, excluding amount included in interest expense	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	(2,175)	3,979	1,804	(595)	994	399	2,203
	(2,175)	3,979	1,804	(595)	994	399	2,203
Contribution	-	(289)	(289)	-	-	-	(289)
Benefit payments	(3,564)	3,564	-	(8,670)	8,670	-	-
At March 31	36,232	(57,015)	(20,783)	3,170	(7,073)	(3,903)	(24,686)

34.1.3 Charge for defined benefit plan

	2020			2019		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees' 000)					
Current service cost	**4,808**	**69**	**4,877**	4,150	659	4,809
Interest expense	**(3,156)**	**(518)**	**(3,674)**	(2,174)	(230)	(2,404)
Past service cost	-	-	-	-	(2,101)	(2,101)
	1,652	**(449)**	**1,203**	1,976	(1,672)	304

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

	2020					
	Impact on defined benefit obligation - increase / (decrease)			Impact on defined benefit obligation - increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	EXIDE			ABCL		
	in percentage	... (Rupees' 000)		in percentage	... (Rupees' 000)	
Discount rate	1.0%	(2,144)	2,438	1.0%	(142)	157
Salary increase rate	1.0%	2,166	(1,913)	1.0%	58	(51)
Withdrawal rate	10.0%	30	(30)	10.0%	5	(5)

	Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
	EXIDE		ABCL	
	(Rupees' 000)			
Life expectancy / withdrawal rate	37,238	37,208	3,278	3,270

	2019					
	Impact on defined benefit obligation - increase / (decrease)			Impact on defined benefit obligation - increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	EXIDE			ABCL		
	in percentage	... (Rupees' 000)		in percentage	... (Rupees' 000)	
Discount rate	1.0%	(2,087)	2,373	1.0%	(131)	145
Salary increase rate	1.0%	2,109	(1,862)	1.0%	55	(48)
Withdrawal rate	10.0%	29	(29)	10.0%	5	(6)

	Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
	EXIDE		ABCL	
	(Rupees' 000)			
Life expectancy / withdrawal rate	36,248	36,216	3,174	3,162

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

34.1.5 The weighted average duration of the defined benefit obligation is 6.76 years and 4.58 years (2019: 6.18 years and 4.31 years) in Exide and ABCL respectively.

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

At March 31, 2020	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	(Rupees' 000)				
Gratuity Exide	5,211	3,497	13,819	71,265	93,792
Gratuity ABCL	766	515	1,313	3,344	5,938
Total	5,977	4,012	15,132	74,609	99,730

34.1.7 Historical information

	2020	2019	2018	2017	2016
	(Rupees' 000)				
Defined benefit obligation - Exide	**37,223**	36,232	34,956	33,668	43,122
Defined benefit obligation - ABCL	**3,274**	3,170	13,109	15,508	18,586
	40,497	39,402	48,065	49,176	61,708
Fair value of plan assets - Exide	**(51,605)**	(57,015)	(59,230)	(62,492)	(59,041)
Fair value of plan assets - ABCL	**(5,929)**	(7,073)	(15,739)	(18,042)	(22,250)
	(57,534)	(64,088)	(74,969)	(80,534)	(81,291)
Surplus	**(17,037)**	(24,686)	(26,904)	(31,358)	(19,583)
Remasurement (gain) / loss on obligation - Exide	**(3,236)**	(2,175)	1,176	11,479	(1,417)
Remasurement (gain) / loss on obligation - ABCL	**365**	(595)	(2,006)	2,211	(1,417)
	(2,871)	(2,770)	(830)	13,690	(2,834)
Gain / (loss) on plan assets - Exide	**8,444**	3,979	2,434	(4,180)	(861)
Gain / (loss) on plan assets - ABCL	**1,332**	994	1,339	1,924	(861)
	9,776	4,973	3,773	(2,256)	(1,722)

34.1.8 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Gratuity cost comprising the service cost and the net interest income for the next year works out to Rs. 4.158 million and Rs. (0.079) million for Exide and ABCL respectively as per the actuarial valuation report of the Company as of March 31, 2020.

34.1.9 The disclosures made in notes 34.1 to 34.1.8 are based on the information included in the actuarial valuation report of the Company as of March 31, 2020.

34.2 Defined contribution plan - provident fund

An amount of Rs 9.340 million (2019: Rs 9.033 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	.... (Rupees' 000)							
Short - term employee benefits								
Managerial remuneration	3,959	3,755	8,588	8,551	24,267	24,149	36,814	36,455
Bonus	-	-	-	-	2,050	1,166	2,050	1,166
Leave Pay	26	87	236	-	595	2,213	857	2,300
Housing, utilities and reimbursable expenses	-	13	2,478	2,478	11,802	10,293	14,280	12,784
Medical expenses	396	368	845	829	2,430	2,409	3,671	3,606
Retirement benefits								
Defined benefit plan	-	-	114	228	598	755	712	983
Defined contribution plan	-	-	274	274	1,083	964	1,357	1,238
	4,381	4,223	12,535	12,360	42,825	41,949	59,741	58,532
Number of persons	1	1	2	2	12	12	15	15

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

35.2 Remuneration to other directors

Aggregate amount charged in the unconsolidated financial statements for fee to directors was Rs 0.14 million (2019: Rs 0.15 million).

36 TRANSACTIONS WITH RELATED PARTIES

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

	Subsdiary Company		Key Management personnel		Other Related Parties	
	2020	2019	2020	2019	2020	2019
	---------- (Rupees '000) ----------					
Expenses charged to	6	3	-	-	-	
Transactions with key management personnel:						
- Salaries	-	-	20,291	41,695	-	
- Defined benefit plan - post employment benefits	-	-	114	807	-	
- Defined contribution plan	-	-	274	882	-	
Expenses charged in respect of staff contribution plan	-	-	-	-	9,340	9,033
Expenses charged in respect of staff defined benefit plan	-	-	-	-	1,203	304

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

S.No.	Related Party Name	Basis of association	Aggregate % of Shareholding
1	Chloride Pakistan (Private) Limited	Subsidiary Company	100%
2	Zaver Enterprises	Common Directorship	N/A
3	Arif Hashwani	Directorship	N/A
4	Hassanali Sons	Associated undertaking	N/A

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

36.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

36.4 Particulars of transactions with staff retirement benefit plans are disclosed in note 34 to these unconsolidated financial statements.

36.5 The details of property transactions entered with related parties have been disclosed in notes 5.1.3.1 and 15.1 to these unconsolidated financial statements.

37 PRODUCTION CAPACITY

The actual production capacity of the battery plant cannot be determined as it depends on the proportion of different types of batteries produced which varies in relation to the consumer demand. The actual production during the year was according to market demand. The installed capacity of the chemical plants is 33,000 MT (2019: 33,000 MT) per annum whereas actual production during the year was 26,782 MT (2019: 26,032 MT).

38 CASH GENERATED FROM OPERATIONS

	Note	2020	2019
		(Rupees '000)	
Loss before taxation		**(435,819)**	(410,838)
Adjustment:			
Depreciation	5.3	**152,855**	159,998
Amortisation	5.3	**8,106**	8,106
Gain on disposal of property, plant and equipment	29	**(153,296)**	(3,663)
Provision against slow moving and obsolete stores and spares	30	**3,093**	3,061
Provision against doubtful trade debts - net	30	**6,900**	7,534
Provision against slow moving and obsolete stock-in-trade	30	**955**	4,688
Provision written back	10.1	**-**	(839)
Finance cost	31	**403,128**	259,106
Working capital changes	38.1	**1,522,811**	(549,573)
		1,508,733	(522,420)

Notes to and Forming Part of the Unconsolidated Financial Statements

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38.1 Working Capital Changes

	2020	2019
	(Rupees '000)	
(Increase) / decrease in current assets		
spares	573	(13,644)
stock-in-trade	294,402	86,102
Trade debts	386,747	(426,689)
Loans and advances	(4,540)	7,071
Trade deposits, short-term prepayments and other receivables	21,270	(11,739)
	698,452	(359,899)
(Decrease) / increase in trade and other payables (including accrued profit)	602,465	(190,674)
Adjustment for movement in cash and equivalents	221,894	-
	1,522,811	(549,573)

39 CASH AND CASH EQUIVALENTS

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

	Note	2020	2019
		(Rupees '000)	
Cash and bank balances	14	140,253	149,083
Short-term borrowings	23	(2,345,284)	(3,199,663)
		(2,205,031)	(3,050,580)

39.1 Reconciliation of liabilities arising from financing activities

	As at March 31, 2019	Non-cash changes	Cash flows	As at March 31, 2020
	(Rupees '000)			
Long term loan	-		221,894	221,894
Loan from director	305,550	-	(195,000)	110,550
Total libilities from financing activities	305,550	-	26,894	332,444

Notes to and Forming Part of the Unconsolidated Financial Statements

For the year ended March 31, 2020

40 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

		Note	Batteries 2020	Batteries 2019	Chemicals and Solar 2020	Chemicals and Solar 2019	Company 2020	Company 2019
			(Rupees '000)					
	Net Sales	25	**8,186,556**	9,167,113	**535,727**	339,466	**8,722,283**	9,506,579
	Cost of Sales	26	**(7,504,906)**	(8,240,082)	**(490,258)**	(294,273)	**(7,995,164)**	(8,534,355)
	Gross Profit		**681,650**	927,031	**45,469**	45,193	**727,119**	972,224
	Selling and distribution expenses	27	**(728,089)**	(934,079)	**(29,851)**	(4,153)	**(757,940)**	(938,232)
	Administration and general expenses	28	**(113,078)**	(118,865)	**(3,340)**	(2,993)	**(116,419)**	(121,858)
	Other income	29	**3,144**	6,356	**-**	-	**3,144**	6,356
	Unallocated other income	40.7	**-**	-	**-**	-	**163,416**	12,163
							166,560	18,519
	Unallocalated other operating charges	40.7 & 30	**-**	-	**-**	-	**(52,011)**	(82,385)
	Operating (loss) / profit		**(156,373)**	(119,557)	**12,278**	38,047	**(32,691)**	(151,732)
40.1	Segment assets		**6,127,211**	7,166,428	**400,964**	265,378	**6,528,175**	7,431,806
40.2	Unallocated assets	40.7					**1,842,926**	1,122,039
							8,371,101	8,553,845
40.3	Segment liabilities		**320,173**	310,517	**14,194**	6,266	**334,367**	316,783
40.4	Unallocated liabilities	40.7					**4,233,059**	4,458,410
							4,567,426	4,775,193
40.5	Capital expenditure		**54,965**	48,967	**3,597**	1,813	**58,562**	50,780
40.6	Depreciatoin expense		**143,467**	154,285	**9,388**	5,713	**152,855**	159,998

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

41 FINANCIAL INSTRUMENTS BY CATEGORY

41.1 Financial assets and financial liabilities

	2020	2019
	(Rupees '000)	
Financial assets		
At amortised cost		
Loans and advances	**31,511**	27,065
Long - term deposits	**42,480**	46,814
Trade debts	**3,155,002**	3,565,856
Trade deposits and other receivables	**20,390**	30,528
Cash and bank balances	**140,253**	149,083
	3,389,636	3,819,346
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**1,067,999**	968,620
Unclaimed dividend	**5,873**	6,076
Accured mark-up	**98,936**	81,683
Long term loan	**221,894**	-
Loan from Director	**110,550**	305,550
Short-term borrowings	**2,345,284**	3,199,663
	3,850,536	4,561,592

42 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

42.1 Credit risk

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

Concentration of credit risk

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

Credit risk arises from bank balances and credit exposures to customers, including trade debts. The financial assets of the Company that are subject to credit risk amounted to Rs 3,379.636 million (2019: Rs 3,819.346 million).

Out of the total bank balance of Rs 139.887 million (2019: Rs 73.081 million) placed with banks maintained in current accounts, amounts aggregating Rs 39.212 million (2019: Rs 70.716 million) have been placed with banks having short-term credit rating of A1+. Whereas the remaining amounts are placed with banks having minimum short term credit rating of A1. Management, after giving due consideration to their strong financial standing, does not expect non–performance by these counter parties on their obligations to the Company.

The most significant financial asset exposed to credit risk is the trade debts of the Company. For trade debts, individual credit limits are assigned to customers keeping in view their payment history, financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The concentration of credit risk lies in the top 15 (2019: 15) customers which constitute 34% (2019: 37%) of the Company's trade debts.

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

Due from customers	2020	2019
	(Rupees '000)	
Direct customers	142,158	211,740
Distributors	3,089,013	3,406,178
	3,231,171	3,617,918

Out of Rs 3,231.171 million (2019: Rs 3,617.918 million), the Company has provided Rs 76.169 million (2019: Rs 52.062 million) as amounts being doubtful. The age profile of trade debts overdue and impaired to the extent of Rs 76.169 million (2019: Rs 52.062 million) has been disclosed in note 2.3.1.3 to these unconsolidated financial statements.

42.2 Liquidity risk

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

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

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

42.3 Market Risk

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

42.3.1 Foreign currency risk

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

Bills payable	2020	2019
	(Amount '000)	
US Dollar	704	685
Japanese Yen	-	38,526
GB Pound	-	11
Euro	70	77

As at March 31, 2020, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound and Euro with all other receivables held constant, loss before taxation for the year would have been lower / higher by Rs 1.165 million (2019: Rs 1.596 million).

42.3.2 Interest rate risk

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

Sensitivity analysis for variable rate instruments

Presently, the Company has KIBOR based short-term and long term borrowings from certain banks that expose the Company to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on March 31, 2020, with all other variables held constant, the net assets and loss before taxation for the year would have been lower / higher by Rs 24.442 million (2019: Rs 32.813 million).

The movement in liability under short-term borrowings and KIBOR rates are expected to change over time. Therefore, the sensitivity analysis prepared as at March 31, 2020 is not necessarily indicative of the effect on the Company's net assets due to future movement in interest rates.

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

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

	2020							
	Effective interest rate (in percentage)	Interest / mark-up bearing			Non Interest / mark-up bearing			Total
		Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
On Balance sheet financial instruments		(Rupees' 000)						
Financial assets								
Loans and receivable								
Loans and advances		-	-	-	31,020	491	31,511	31,511
Long-term deposits		-	-	-	-	42,480	42,480	42,480
Trade receivables		-	-	-	3,155,002	-	3,155,002	3,155,002
Trade deposits and other receivables		-	-	-	20,390	-	20,390	20,390
Cash and bank balances		-	-	-	140,253	-	140,253	140,253
		-	-	-	3,336,665	42,971	3,389,636	3,389,636
Financial liabilities								
Financial liabilities at amortised cost								
Trade and other payables		-	-	-	1,067,999	-	1,067,999	1,067,999
Unclaimed dividend		-	-	-	5,873	-	5,873	5,873
Accured profit / mark-up		-	-	-	98,936	-	98,936	98,936
Long term loan	KIBOR + 1%	84,938	136,956	221,894	-	-	-	221,894
Loan from Director		-	-	-	110,550	-	110,550	110,550
Short terms borrowings	11.14 -15.73%	2,345,284	-	2,345,384	-	-	-	2,345,284
		2,430,222	136,956	2,567,178	1,283,358	-	1,283,358	3,850,536
On balance sheet gap		(2,430,222)	(136,956)	(2,567,178)	2,063,307	42,971	2,106,278	(460,900)
Off-balance sheet financial instruments								
Commitments in respect of capital expenditure		-	-	-	3,153	-	3,153	3,153
Commitments in respect of Letter of credit		-	-	-	323,584	-	323,584	323,584
Outstanding bank guarantees		-	-	-	193,430	-	193,430	193,430
		-	-	-	520,167	-	520,167	520,167

	2019							
	Effective interest rate (in percentage)	Interest / mark-up bearing			Non Interest / mark-up bearing			Total
		Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
On Balance sheet financial instruments		(Rupees' 000)						
Financial assets								
Loans and receivable								
Loans and advances		-	-	-	26,480	585	27,065	27,065
Long-term deposits		-	-	-	-	46,814	46,814	46,814
Trade receivables		-	-	-	3,565,856	-	3,565,856	3,565,856
Trade deposits and other receivables		-	-	-	30,528	-	30,528	30,528
Cash and bank balances		-	-	-	149,083	-	149,083	149,083
		-	-	-	3,771,947	47,399	3,819,346	3,819,346
Financial liabilities								
Financial liabilities at amortised cost								
Trade and other payables		-	-	-	968,620	-	968,620	968,620
Unclaimed dividend		-	-	-	6,076	-	6,076	6,076
Accured profit / mark-up		-	-	-	81,683	-	81,683	81,683
Loan from Director		-	-	-	305,550	-	305,550	305,550
Short-term borrowings	10.52 - 11.12	3,199,663	-	3,199,663	-	-	-	3,199,663
		3,199,663	-	3,199,663	1,361,929	-	1,361,929	4,561,592
On balance sheet gap		(3,199,663)	-	(3,199,663)	2,410,018	47,399	2,457,417	(742,246)
Off-balance sheet financial instruments								
Commitments in respect of capital expenditure		-	-	-	1,183	-	1,183	1,183
Commitments in respect of Letter of credit		-	-	-	159,541	-	159,541	159,541
Outstanding bank guarantees		-	-	-	49,225	-	49,225	49,225
		-	-	-	209,949	-	209,949	209,949

42.3.3 Price risk

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

42.4 Fair value of financial instruments

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

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

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

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

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

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

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

42.4.1 Certain categories of operating fixed assets (leasehold land, buildings on leasehold land and assets classified as held for sale include revaluation surplus) (level 3 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 5 to these unconsolidated financial statements. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

43 CAPITAL RISK MANAGEMENT

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

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

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

	2020	2019
	(Rupees '000)	
Total borowing	**2,677,728**	3,505,213
Less: Cash and bank balances	**140,253**	149,083
Net debt	**2,537,475**	3,356,130
Total equity	**3,803,675**	3,780,870
	6,341,150	7,137,000
Gearing ratio	**40.02%**	47.02%

44 NUMBER OF EMPLOYEES

	2020	2019
	Number	
44.1 Number of employees at March 31		
- Permanent	**325**	343
- Contractual	**29**	31
	354	374

This includes 202 (2019: 179) number of factory employees

	2020	2019
44.2 Average number of employees during the year		
- Permanent	**334**	394
- Contractual	**30**	32
	364	426

This includes 191 (2019: 178) number of factory employees

45 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

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

(i) Loans obtained as per Islamic mode - refer note 23
(ii) Profit paid on Islamic modes of financing - refer note 31
(iii) Profits earned or interest paid on any conventional loans, deposits or advances - refer notes 29 and 31.

46 GENERAL AND CORRESPONDING FIGURES

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

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. 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 March 23, 2020. In the Company's case, the lockdown was subsequently relaxed from end of May, 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future. Due to this, the management has assessed the accounting implications of these developments on these unconsolidated financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9, 'Financial Instruments';
- the impairment of tangible assets under IAS 36, 'Impairment of non financial assets';
- the net realisable value of inventory under IAS 2, 'Inventories';
- the debt covenants of the loans obtained from banks; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these unconsolidated financial statements.

47 DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on August 4, 2020 by the Board of Directors of the Company.

Altaf Hashwani	**Arshad Shehzada**	**S. Haider Mehdi**
Chairman	Chief Executive Officer	Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the members of Exide Pakistan Limited

Opinion

We have audited the annexed consolidated financial statements of Exide Pakistan Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	**First time adoption of IFRS 9 – Financial instruments** (Refer notes 2.4.1 and 10 to the annexed consolidated financial statements) IFRS 9 'Financial Instruments' is effective for the Group for the first time during the current year and replaces the financial instruments standard IAS 39 'Financial Instruments: Recognition and Measurement'. In relation to financial assets, IFRS 9 requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. The Group's management has determined that the most significant impact of IFRS 9 on the consolidated financial statements of the Group is in respect of allowance for impairment of trade	Our audit procedures amongst others included the following: • Reviewed and understood the requirements of IFRS 9; • Considered the management's process to assess the impact of adoption of IFRS 9 on the consolidated financial statements;

S.No.	Key Audit Matters	How the matter was addressed in our audit
	debts. IFRS 9 requires the allowance for impairment of trade debts to be recognised by determining the ECL rather than incurred credit losses, a concept prevalent under IAS 39. The measurement of ECL takes into account range of probable outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. The calculation of ECL in accordance with IFRS 9 is therefore complex and involves a number of judgments and assumptions. The Group has adopted the IFRS 9 using modified retrospective approach and has recognised ECL amounting to Rs 17.76 million in opening balance of accumulated losses / unappropriated profit as at April 1, 2019. The charge for the year in respect of provision for trade debts amounted to Rs. 6.90 million and the provision as at March 31, 2020 amounted to Rs. 76.169 million. The determination of ECL involves significant management judgments and estimates. Therefore, we have considered determination of ECL as a key audit matter.	• Evaluated the key decisions made by the Group's management with respect to accounting policies, estimates and judgments in relation to adoption of IFRS 9 and assessed the appropriateness based on our understanding of the Group's business and operations; • Assessed the reasonableness and accuracy of the data used for ECL computation based on the accounting records and information system of the Group as well as the related external sources used for this purpose; • Reviewed the impairment model used by the management to calculate ECL on trade debts of the Group for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model; and • Reviewed and assessed the financial impacts and adequacy and appropriateness of disclosures made in the consolidated financial statements in relation to adoption of IFRS 9.
2	**Provision for warranty claims** (Refer note 19.2 to the annexed consolidated financial statements)	
	The Group offers different warranty periods for its various classes of batteries. The management carries out an exercise to assess the reasonableness of the provision for warranty claims retained in the consolidated financial statements for all kinds of batteries. In ascertaining, the adequacy of the provision, the management takes into account the past trend of warranty claims in respect of all kinds of batteries which are sold by the Group. The charge for the year in respect of provision for warranty claims amounted to Rs 244.693 million and the provision as at March 31, 2020 amounted to Rs 95.432 million. Due to the significance of the provision balance and related significant estimation involved, we considered it as a key audit matter.	Our audit procedures amongst others included the following: • Obtained an understanding of the warranty process, evaluated the design of, and performed the related test of controls; • Evaluated the appropriateness of the Group's methodology for calculating the charge in respect of warranty provisions for the year and tested the basis for the assumptions used in the determination of the warranty provision; and • Assessed the relevant disclosures made in the consolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan.

INDEPENDENT AUDITOR'S REPORT

<table>
<tr><th>S.No.</th><th>Key Audit Matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>3</td><td>Impact of COVID 19
(Refer note 45 to the annexed consolidated financial statements)</td><td></td></tr>
<tr><td></td><td>Due to the COVID-19 situation and lockdown in the province of Sindh since March 2020, business activity has been adversely affected. The Group's factory and offices were closed that resulted in a decline in the Group's sales from March 2020. This affected the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

In relation to the accounting and reporting obligations, the management assessed the following significant areas for incorporating COVID - 19 impact in the consolidated financial statements.

• expected credit losses (ECL) under IFRS 9, 'Financial Instruments';

• the impairment of tangible assets under IAS 36 'Impairment of non-financial assets';

• the net realisable value (NRV) of inventory under IAS 2, 'Inventories';

• the debt covenants of the loans obtained from the banks; and

• going concern assumption used for the preparation of the consolidated financial statements.

The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and its execution involved assessment of significant management judgments in the preparation of the consolidated financial statements. Therefore, we considered it as a key audit matter.</td><td>Our audit procedures amongst others included the following:

• Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy;

• For information / record provided by the management in scanned form, the original records were checked subsequently when the lockdown was relaxed;

• For confirmation received through email, the authenticity of the confirmations was ensured by performing alternate procedures such as making telephone calls to confirming parties;

• Assessed the reasonableness of forward-looking factors under the COVID-19 situation used by management in preparing ECL model;

• Evaluated whether any impairment indicators exist that could trigger impairment for tangible assets;

• Obtained the computation of NRV of inventory and checked its reasonableness;

• Reviewed the key debt covenants of the loan agreements and checked that the Group is in compliance with these covenants;

• Evaluated management's going concern assessment by reviewing the approved budget / future cash flow forecast and assessed whether going concern assumption is appropriate; and

• Reviewed the adequacy of the disclosures made by the Group under the applicable financial reporting framework.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

A.F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: August 06, 2020

Consolidated Statement of Financial Position

as at March 31, 2020

	Note	2020	2019
		-------------- (Rupees '000) --------------	
ASSETS			
Non-current assets			
Fixed assets	5	1,340,079	1,507,876
Long-term loans	6	491	585
Long-term deposits	7	42,480	46,814
		1,383,050	1,555,275
Current assets			
Stores and spares	8	112,321	115,987
Stock-in-trade	9	1,881,076	2,176,433
Trade debts	10	3,155,002	3,565,856
Loans and advances	11	31,020	26,480
Trade deposits, prepayments and other receivables	12	39,697	67,872
Taxation recoverable		1,076,443	898,853
Cash and bank balances	13	140,255	149,085
		6,435,814	7,000,566
Assets classified as held for sale	14	552,015	-
		8,370,879	8,555,841
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
18,000,000 (2019: 18,000,000) ordinary shares of Rs 10 each		180,000	180,000
Issued, subscribed and paid-up share capital	15	77,686	77,686
Capital reserve		259	259
Revenue reserves		3,329,991	3,329,991
Reserve arising on amalgamation - net		25,823	25,823
Accumulated (losses) / unappropriated profit		(726,997)	(263,039)
Revaluation surplus on property, plant and equipment - net of tax	16	1,095,836	609,132
		3,802,598	3,779,852
LIABILITIES			
Non-current liabilities			
Deferred taxation - net	17	-	-
Long term loan	18	221,894	-
Current liabilities			
Trade and other payables	19	1,785,019	1,182,292
Unclaimed dividend		5,873	6,076
Accrued profit / mark-up	20	98,936	81,683
Loan from a Director	21	111,275	306,275
Short-term borrowings	22	2,345,284	3,199,663
		4,346,387	4,775,989
TOTAL LIABILITIES		4,568,281	4,775,989
TOTAL EQUITY AND LIABILITIES		8,370,879	8,555,841
CONTINGENCIES AND COMMITMENTS	23		

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

Altaf Hashwani	**Arshad Shehzada**	**S. Haider Mehdi**
Chairman	Chief Executive Officer	Chief Financial Officer

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended March 31, 2020

	Note	2020	2019
		-------------- (Rupees '000)	--------------
Sales - net	24	**8,722,283**	9,506,579
Cost of sales	25	**(7,995,164)**	(8,534,355)
Gross profit		**727,119**	972,224
Selling and distribution expenses	26	**(757,940)**	(938,232)
Administration and general expenses	27	**(116,419)**	(121,858)
		(147,240)	(87,866)
Other income	28	**166,560**	18,519
		19,320	(69,347)
Other operating charges	29	**(52,070)**	(82,442)
Operating (loss)		**(32,750)**	(151,789)
Finance cost	30	**(403,128)**	(259,106)
(Loss) before taxation		**(435,878)**	(410,895)
Taxation - net	31	**(123,033)**	(93,673)
(Loss) after taxation		**(558,911)**	(504,568)
Other Comprehensive income for the year			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of defined benefit plan	33.1.2	**(6,905)**	(2,203)
Deferred tax on remeasurements of defined benefit plan		**2,002**	551
		(4,903)	(1,652)
Items may be reclassified to profit or loss in subsequent periods			
Surplus arising on revaluation of land and building	16	**608,430**	-
Deferred tax on surplus arising on revaluation of land and building - net	16	**(3,584)**	-
Effect of change in tax rate	16	**(526)**	(73)
		604,320	(73)
Total comprehensive income / (loss) for the year		**40,506**	(506,293)
		-------------- (Rupees)	--------------
(Loss) per share (basic and diluted)	32	**(71.94)**	(64.95)

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

Altaf Hashwani	Arshad Shehzada	S. Haider Mehdi
Chairman	Chief Executive Officer	Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended March 31, 2020

		Capital reserves			Revenue reserves		
	Issued, subscribed and paid-up share capital	General capital reserve	Reserve arising on amalgamation-net	Revaluation surplus on property, plant and equipment	General revenue reserve	Accumulated (loss)/ unappropriated profit	Total
	(Rupees '000)						
Balance at March 31, 2018	77,686	259	25,823	624,793	3,329,991	227,593	4,286,145
Loss after taxation for the year ended March 31, 2019	-	-	-	-	-	(504,568)	(504,568)
Other comprehensive income for the year							
Remeasurements of defined benefit plan	-	-	-	-	-	(2,203)	(2,203)
Deferred tax on remeasurements of defined benefit plan	-	-	-	-	-	551	551
Effect of change in tax rate (note 16)	-	-	-	(73)	-	-	(73)
	-	-	-	(73)	-	(1,652)	(1,725)
Transferred from revaluation surplus on property, plant and equipment - net of tax (note 16)	-	-	-	(15,588)	-	15,588	-
Balance as at March 31, 2019	77,686	259	25,823	609,132	3,329,991	(263,039)	3,779,852
Impact of adoption of IFRS 9 (note 2.3.1.2)	-	-	-	-	-	(17,760)	(17,760)
Balance as at April 1, 2019	77,686	259	25,823	609,132	3,329,991	(280,799)	3,762,092
Loss after taxation for the year ended March 31, 2020	-	-	-	-	-	(558,911)	(558,911)
Other comprehensive income for the year							
Remeasurements of defined benefit plan	-	-	-	-	-	(6,905)	(6,905)
Deferred tax on remeasurements of defined benefit plan	-	-	-	-	-	2,002	2,002
Effect of change in tax rate (note 16)	-	-	-	(526)	-	-	(526)
Surplus on revaluation of land and building - net of tax (note 16)	-	-	-	604,846	-	-	604,846
	-	-	-	604,320	-	(4,903)	599,417
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax (note 16)	-	-	-	(101,870)	-	101,870	-
Transferred from revaluation surplus on property, plant and equipment - net of tax (note 16)	-	-	-	(15,746)	-	15,746	-
Balance as at March 31, 2020	77,686	259	25,823	1,095,836	3,329,991	(726,997)	3,802,598

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

Altaf Hashwani
Chairman

Arshad Shehzada
Chief Executive Officer

S. Haider Mehdi
Chief Financial Officer

Consolidated Statement of Cash Flows

For the year ended March 31, 2020

	Note	2020	2019
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	37	1,508,733	(522,473)
Financial charges paid		(385,875)	(218,067)
Taxes paid		(302,731)	(288,704)
Decrease / (increase) in long-term deposits		3,781	(8,821)
Decrease in long-term loans		94	331
Net cash generated from / (used in) operating activities		824,002	(1,037,734)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(58,562)	(50,780)
Proceeds from disposal of operating fixed assets		275,109	7,798
Net cash generated from / (used in) investing activities		216,547	(42,982)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from director		(195,000)	50
Net cash flows generated from financing activities		(195,000)	50
Net increase / (decrease) in cash and cash equivalents during the year		845,549	(1,080,666)
Cash and cash equivalents at the beginning of the year		(3,050,578)	(1,969,912)
Cash and cash equivalents at the end of the year	38	(2,205,029)	(3,050,578)

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

Altaf Hashwani
Chairman

Arshad Shehzada
Chief Executive Officer

S. Haider Mehdi
Chief Financial Officer

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

1 THE COMPANY AND ITS OPERATIONS

1.1 The "Group" consists of:

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

1.2 Holding Company

Exide Pakistan Limited ("the Holding Company") is a public limited company and is incorporated in Pakistan. The address of its registered office is A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange. The Company is engaged in the manufacturing and sale of batteries, chemicals and acid. Manufacturing facilities for batteries are located at S.I.T.E Karachi while facilities for chemicals and acid are located at S.I.T.E and Bin Qasim Karachi.

1.3 Subsidiary Company

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

The auditors of the Subsidiary Company have included an emphasis of matter paragraph in their report on the matter highlighting that the financial statements for the year ended March 31, 2020 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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Accounting convention

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

2.3 Basis of consolidation

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

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

Intergroup balances and transactions have been eliminated.

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

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

There are certain new standards, interpretations and amendments to accounting and reporting standards which are applicable for the first time on the Group's accounting periods beginning on or after April 1, 2019. The details of these standards are given below.

2.4.1 IFRS 9: 'Financial instruments'

2.4.1.1 Effective from April 1, 2019, the Group has adopted IFRS 9, 'Financial instruments' which has replaced IAS 39, 'Financial instruments: recognition and measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has an impact on the assets of the Group which are exposed to credit risk.

2.4.1.2 The adoption of IFRS 9 from April 1, 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. The new accounting policies (as well as the previous IAS 39 accounting policies applied in the comparative period) are set out in note 4.3. However, in accordance with the transitional provisions in IFRS 9, the Group has an option of not restating comparative figures. As a result, the adjustments arising from the new impairment rules are therefore not reflected in the consolidated statement of financial position as at March 31, 2019, but are recognised in the opening statement of financial position on April 1, 2019.

"The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included."

	As at April 1, 2019 - as previously stated	Impact of adoption of IFRS 9	As at April 1, 2019 - as restated
	(Rupees '000)		
ASSETS			
Non-current assets			
Long-term deposits - increase in provision of long-term deposits	46,814	(553)	46,261
Current assets			
Trade debts (net of provision) - increase in provision of doubtful trade debts	3,565,856	(17,207)	3,548,649
EQUITY AND LIABILITIES			
Share capital and reserves			
Accumulated losses	(262,021)	(17,760)	(279,781)

Bank balances which are subject to credit risk are with financial institutions having high credit ratings. Loans, advances and other receivables of the Group that are exposed to credit risk pertain to receivable from counterparties that have a history of very low defaults. Therefore, the impact of ECL on these balances would be very minimal and hence, the same has not been accounted for in these consolidated financial statements.

This change in accounting policy has no impact on consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

2.4.1.3 The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. To measure the expected credit losses, trade debts have been grouped based on days past due. On that basis, the loss allowance as at April 1, 2019 (on adoption of IFRS 9) and as at March 31, 2020 was determined as follows for trade debts:

April 1, 2019	Not Yet Due	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	150+ Days	Total
	(Rupees '000)							
Expected Loss rate	0.25%	0.99%	1.86%	3.42%	5.40%	9.05%	13.86%	
Gross carrying amount-trade debts	1,502,913	1,249,887	394,766	46,902	148,982	40,539	233,929	3,617,918
Loss allowance	3,810	12,379	7,343	1,603	8,042	3,668	32,424	69,269

March, 31 2020	Not Yet Due	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	150+ Days	Total
	(Rupees '000)							
Expected Loss rate	0.21%	0.64%	1.22%	2.20%	3.53%	5.76%	8.34%	
Gross carrying amount-trade debts	741,689	1,214,946	41,144	407,097	174,445	121,313	530,537	3,231,171
Loss allowance	1,534	7,788	503	8,971	6,164	6,985	44,224	76,169

For all other financial assets, a life time ECL is recorded in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and for financial assets which are credit impaired as on reporting date. A 12 months ECL is recorded for all other financial assets which do not meet the criteria for SICR or "credit impaired" as at reporting date. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group also considers reasonable and supportive forwarding-looking information in determination of ECL.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

2.4.1.4 Reclassifications of financial instruments on adoption of IFRS 9

On the date of initial application, April 1, 2019, the financial instruments of the Group were as follows, with any reclassifications noted:

	Carrying amount		
	Original - IAS 39 (Loans and Receivables)	New - IFRS 9 (At Amortised Cost)	Difference
	.... (Rupees '000)		
Non-current assets			
Long-term loans	585	585	-
Long-term deposits	46,814	46,261	553
Current assets			
Trade debts	3,565,856	3,548,649	17,207
Loans and advances	1,346	1,346	-
Trade deposits and other receivables	30,528	30,528	-
Cash and bank balances	149,083	149,083	-

2.4.2 IFRS 15: 'Revenue from contracts with customers'

IFRS 15, 'Revenue from contracts with customers' (effective from annual reporting periods beginning on or after July 1, 2018) - IFRS 15 has replaced the previous revenue standards: IAS 18, 'Revenue', IAS 11, 'Construction Contracts', and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue when the control of goods or services have been transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The adoption of this standard did not have any impact on the consolidated financial statements of the Group on the date of its initial adoption.

2.4.3 IFRS 16: 'Leases'

IFRS 16, 'Leases' (effective from annual reporting periods beginning on or after January 1, 2019) - IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On the adoption of IFRS 16 as at April 1, 2019, the Group has decided to apply the recognition exemptions under IFRS 16 and all the leases of the Group have been classified as short term leases. Accordingly, the applicability of this standard did not have any impact on the consolidated financial statements of the Group as at April 1, 2019.

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

2.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in the current year:

2.5.1 The following standards, amendments and interpretations with respect to published accounting and reporting standards would be effective from the date mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations and amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020

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

2.5.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after April 1, 2020 but are considered not to be relevant or will not have any significant effect on the Groups's operations and are, therefore, not detailed in these consolidated financial statements.

2.6 During the current year, the Group has changed its accounting policy in respect of the presentation of components of 'Other Comprehensive Income' by including a single statement titled 'Statement of Profit or Loss and Other Comprehensive Income'. Previously, these components were shown in a separate statement titled 'Statement of Other Comprehensive Income'. As a result of the above change, single statement is now being presented i.e. 'Statement of Profit or Loss and Other Comprehensive Income'. This change in accounting policy has been made for better presentation and has been applied retrospectively.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

i) Estimation of provision against doubtful trade debts (notes 4.3.1.2, 4.6 and 10);
ii) Provision against battery warranty claims (notes 4.10 and 19.2);
iii) Provision against slow moving and obsolete stock-in-trade (notes 4.5 and 9.1);
iv) Provision against slow moving and obsolete stores and spares (notes 4.4 and 8);
v) Estimation of liability in respect of staff retirement gratuity (notes 4.12 and 33);
vi) Provision for taxation (notes 4.14, 17 and 31);
vii) Estimation of useful lives and depreciation rates of property, plant and equipment (notes 4.1 and 5); and
viii) Accounting for lease liability and right of use assets (note 4.1.3).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting polices applied in the preparation of these consolidated financial statements are set out below. These polices have been consistently applied to all the years presented except for the changes as disclosed in notes 2.4 and 2.6 to these financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

4.1 Property, plant and equipment

4.1.1 Operating assets

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

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

Depreciation on all property, plant and equipment is charged using the straight line method in accordance with the rates specified in note 5.1.1 to these consolidated financial statements and after taking into account residual values, if significant. The revalued amount of leasehold land and buildings on leasehold land is amortised / depreciated equally over the remaining life from the date of revaluation. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

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

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

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

4.1.2 Capital work-in-progress

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

4.1.3 Leases

The Group leases various offices and warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until March 31, 2019, leases were classified as either finance or operating leases. Payments made under operating leases were charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.2 Intangible assets

Intangible asset acquired by the Group are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the intangible asset and bring them to use. The cost of intangible asset is amortised using the straight line method in accordance with the rate specified in note 5.2 to these consolidated financial statements.

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

4.3 Financial instruments under IFRS 9

4.3.1 Financial assets

4.3.1.1 Classification and subsequent measurement

The Group has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer’s perspective, such as loans, government and corporate bonds and puttable instruments.

Classification and subsequent measurement of debt instruments depend on:

- the Group’s business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.3.1.2.

b) **Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, recognised and measured as described in note 4.3.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss.

c) **Fair value through profit or loss (FVPL)**

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss in the period in which it arises.

4.3.1.2 Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.2 Business model

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

4.3.3 SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

4.3.4 Reclassifications

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

4.3.5 Financial instruments under IAS 39

4.3.5.1 Financial assets

4.3.5.1.1 Classification

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

a) Financial assets at fair value through profit or loss

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

b) Loans and receivables

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

c) Held to maturity

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

d) Available for sale financial assets

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

4.3.5.1.2 Initial recognition and measurement

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

4.3.5.1.3 Subsequent measurement

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

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

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

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

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

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

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

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

4.3.5.1.4 Impairment

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

a) Assets carried at amortised cost

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

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

b) Assets classified as 'available for sale'

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

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

4.3.5.2 Financial liabilities

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

4.3.5.3 Derecognition

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

4.3.5.4 Offsetting of financial assets and liabilities

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

4.4 Stores and spares

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

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

4.5 Stock-in-trade

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

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

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

4.6 Trade debts and other receivables

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

4.7 Cash and cash equivalents

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

4.8 Borrowings and borrowing costs

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

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

4.9 Trade and other payables

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

4.10 Provision against battery warranty claims

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

4.11 Provisions

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

4.12 Staff retirement benefits

The Group operates:

(a) an approved funded gratuity plan covering all eligible employees. A separate fund is being maintained by the Group for employees of Automotive Battery Group Limited (now merged with and into the Group). Annual contributions to the funds are made based on actuarial recommendations. The most recent actuarial valuation was carried out during the year ended March 31, 2020 using the Projected Unit Credit Method. Amounts arising as a result of 'Remeasurements', representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the consolidated statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur; and

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

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

4.13 Employees' compensated absences

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

4.14 Taxation

Current

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

Deferred

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

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

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

4.15 Impairment

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

4.16 Revenue recognition

The Group recognises revenue from sale of goods when the goods are transferred to the customer and the performance obligations are fulfilled. Goods are considered to be transferred when the control belongs to the customer.

Therefore, the Group recognises revenue based on the following principles:

- identification of customer contracts;
- identification of performance obligations;
- determination of transaction price in the contract;
- allocation of price to performance obligations; and
- recognition of revenue when the performance obligations are fulfilled.

The Group recognises revenue from sales of goods (including scrap sales) when significant risks and rewards of ownership have been transferred to buyer and the control belongs to the customer.

4.17 Proposed dividends and transfers between reserves

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

4.18 Segment reporting

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

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

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

4.19 Functional and presentation currency

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

4.20 Foreign currency transactions

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

4.21 Basic and diluted (loss) / earnings per share

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

4.22 Non current assets classified as held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

	Note	**2020**	2019
5 FIXED ASSETS			
Property, plant and equipment	5.1	**1,339,304**	1,498,995
Intangible asset	5.2	**775**	8,881
		1,340,079	1,507,876

	Note	**2020**	2019
5.1 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1.1	**1,338,944**	1,498,279
Capital work-in-progress	5.1.2	**360**	716
		1,339,304	1,498,995

For the year ended March 31, 2020

5.1.1 Operating assets

	2020						
	Leasehold land	Buildings on leasehold land	Plant and machinery*	Furniture & fixtures	Office equipment and appliances	Vehicles	Total
	Rupees '000						
At April 1, 2019							
Cost / revalued amount	794,000	98,762	1,737,505	22,478	36,303	135,417	2,824,465
Accumulated depreciation	(15,880)	(19,538)	(1,153,498)	(14,628)	(29,187)	(93,455)	(1,326,186)
Net Book Value	778,120	79,224	584,007	7,850	7,116	41,962	1,498,279
Additions / transfer from CWIP	-	437	51,255	1,181	1,829	4,216	58,918
Surplus on revaluation during the year	589,328	19,102	-	-	-	-	608,430
Disposals - note 5.1.3							
Cost	(120,000)	(1,912)	-	-	-	(16,450)	(138,362)
Depreciation	4,200	638	-	-	-	11,711	16,549
	(115,800)	(1,274)	-	-	-	(4,739)	(121,813)
Assets held for sale - note 14							
Cost	(532,000)	(20,015)	-	-	-	-	(552,015)
Depreciation	-	-	-	-	-	-	-
	(532,000)	(20,015)	-	-	-	-	(552,015)
Depreciation charge for the year	(15,280)	(9,854)	(108,928)	(1,877)	(2,496)	(14,420)	(152,855)
Closing net book value	704,368	67,619	526,334	7,154	6,449	27,019	1,338,944
At March 31, 2020							
Cost / revalued amount	731,328	96,373	1,788,760	23,659	38,132	123,183	2,801,436
Accumulated depreciation	(26,960)	(28,754)	(1,262,426)	(16,505)	(31,683)	(96,164)	(1,462,492)
Net Book Value	704,368	67,619	526,334	7,154	6,449	27,019	1,338,944
Depreciation rate % per annum	2	10	10 - 20	10 - 20	10 - 20	10 - 20	

*This includes multiple parts of the mould having cost, accumulated depreciation and net book value of Rs. 22.423 million, Rs. 8.850 million and Rs. 13.573 million respectively. These parts have been acquired with the funds of the Group but are not in the possession of the Group. These assets have been given by the Group to Precision Polymers (Private Limited) for the purpose of toll manufacturing of battery containers.

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

*This includes multiple parts of the mould having cost, accumulated depreciation and net book value of Rs. 22.423 million, Rs. 6.607 and Rs. 15.816 million respectively. These parts have been acquired with the funds of the Group but are not in the possession of the Group. These assets have been given by the Group to Precision Polymers (Private Limited) for the purpose of toll manufacturing of battery containers.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

		2020	2019
		Rupees '000	
5.1.2	**Capital work-in-progress**		
	Plant and Machinery	360	716

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

	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/ (Loss)	Mode of Disposals / Sattlement	Particulars of Buyers / Purchasers
	Rupees '000						
Vehicles							
Suzuki Cultus	1,677	643	1,034	1,291	257	As per Company Policy	Syed Salik Hussain*
Suzuki Cultus	1,169	701	468	772	304	As per Company Policy	Altamish Ali Shah*
Suzuki Cultus	883	883	-	328	328	As per Company Policy	Javaid Akhter*
Suzuki Cultus	1,039	1,039	-	416	416	As per Company Policy	Nazeer Noorali*
Suzuki Cultus	1,039	1,039	-	416	416	As per Company Policy	Ghazanfar Iqbal*
Suzuki Cultus	911	911	-	630	630	Negotiated	Muhammad Ali Khan*
Suzuki Mehran	678	678	-	271	271	As per Company Policy	Yasir Raza*
Suzuki Cultus	1,124	731	393	832	438	As per Company Policy	Muhammad Asif*
Suzuki Mehran	656	656	-	300	300	Negotiated	Muhammad Imran*
Suzuki Mehran	683	683	-	273	273	As per Company Policy	Ahmed Zakiuddin*
Suzuki Cultus	1,410	235	1,175	1,283	108	As per Company Policy	Qamar Abbas*
Suzuki Swift	1,375	573	802	1,083	281	As per Company Policy	Nabil Ahmed Qureshi*
Suzuki Cultus	1,039	1,039	-	416	416	As per Company Policy	Shamsuddin Shaikh*
Suzuki Cultus	1,034	1,034	-	414	414	As per Company Policy	Muhammad Jawaid*
Honda City	1,733	866	867	1,385	518	As per Company Policy	Khalid Kamboo*
	16,450	**11,711**	**4,739**	**10,109**	**5,370**		
Land and Building							
40-K, Block 6, P.E.C.H.S. Karachi.	121,912	4,838	117,074	265,000	147,926	Negotitated	Arif Hashwani
	121,912	4,838	117,074	265,000	147,926		
2020	138,362	16,549	121,813	275,109	153,296		
2019	13,939	9,804	4,135	7,798	3,663		

*These represent persons in employment of the Group.

5.1.3.1 During the year, the Group has disposed of its land and buildings located at 40-k, Block 6, P.E.C.H.S (40-K) having net book value of Rs 117.075 million. The property has been disposed of to Mr. Arif Hashwani (a director of the Group) for a total consideration of Rs 265 million which resulted in a gain of Rs 147.925 million. The amount of gain has been recorded in other income. The consideration of Rs 265 million has been adjusted against interest free loan given by Mr. Arif Hashwani to the Group. The disposal consideration of the property was the market value of the property determined based on the latest valuation carried out by the independent valuer of the Group. The movement of interest free loan is given in note 21.1.1 to these consolidated financial statements.

5.1.4 At March 31, 2020, leasehold land and buildings on leasehold land of the Group were revalued resulting in a surplus of Rs 608.430 million over the net book values of Rs 436.031 million. The valuation was carried out by an independent valuer - M/s Shahani & Co. on the basis of present market values as at March 31, 2020 for similar sized plots in the vicinity and replacement values of similar type of buildings based on present cost of construction.

The following are the details of surplus;	2020 (Rupees '000)
Total value of the surplus	608,430
Relating to operating fixed assets	328,889
Relating to assets classified as held for sale during the year	279,541

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

	2020	2019
	(Rupees '000)	
Leasehold Land	113,406	182,557
Buildings on Leasehold Land	41,105	61,133

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

	Location	Usage of immovable property	Total Area (In acres)	Covered Area (In sq.ft)
a)	A/45, Hill Street, S.I.T.E. Karachi.	Manufacturing facility	2.92	90,238
b)	B-119-121, 124-127, H.I.T.E., Hub Dist. Lasbella, Baluchistan	Manufacturing facility	3.91	68,000
c)	E2/1/P-12 (F-11), Eastern Industrial Zone, Port Qasim Authority Area, Karachi	Manufacturing facility (Chemicals)	2.00	16,800
d)	A/47, Hill Street, S.I.T.E. Karachi	Manufacturing facility	1.91	2,500
e)	62-A-I and 62-A-II, Industrial Estate, Multan	Plot	6.00	open plot

5.1.6 Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 809.676 million (2019: Rs. 647.478 million).

5.2 INTANGIBLE ASSET

	2020							
	Cost			Accumalated Amortisation				
	As at April 1	Additions / transfers from CWIP	As at March 31	As at April 1	Charge for the Year	As at March 31	Net Book Value as at March 31	Amortisation rate % per Annum
Software	31,649	-	31,649	22,768	8,106	30,874	775	33

	2019							
	Cost			Accumalated Amortisation				
	As at April 1	Additions / transfers from CWIP	As at March 31	As at April 1	Charge for the Year	As at March 31	Net Book Value as at March 31	Amortisation rate % per Annum
Software	29,324	2,325	31,649	14,662	8,106	22,768	8,881	33

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

	Note	Amortisation		Depreciation	
		2020	2019	2020	2019
		(Rupees '000)		(Rupees '000)	
Cost of Sales	25	7,701	7,701	145,212	151,998
Selling and distribution expenses	26	162	162	3,057	3,200
Administration and general expenses	27	243	243	4,586	4,800
		8,106	8,106	152,855	159,998

6 LONG-TERM LOANS

	Note	2020	2019
		(Rupees '000)	
Considered good - unsecured			
Due from			
Executives - related party	6.1 6.2 &6.3	1,167	539
Employees	6.1	551	807
		1,718	1,346
Less: current portion of long-term loan	11	(1,227)	(761)
		491	585

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

6.2 Reconciliation of carrying amount of loans due from executives

	2020	2019
	(Rupees '000)	
Opening Balance	539	972
Disbursements during the year	2,602	900
Repayments during the year	(1,974)	(1,333)
Closing balance	1,167	539

6.3 The maximum aggregate amount due from Executives at the end of any month during the year was Rs 2.088 million (2019: Rs 1.063 million).

7 LONG-TERM DEPOSITS

	Note	2020	2019
		(Rupees '000)	
Utilities		19,708	19,708
Others		23,325	27,106
		43,033	46,814
		(553)	-
Less: provision against long-term deposits (note 8.1)		42,480	46,814

7.1 Provision against long-term deposits

		2020	2019
Opening balance		-	-
Impact on adoption of IFRS 9 (note 2.3.1.2)		553	-
Provision made during the period / year		-	-
Closing balance		553	-

8 STORES AND SPARES

		2020	2019
Spares (including in transit - Rs Nil (2019: Rs. Nil))		114,015	111,284
Stores		15,089	18,393
		129,104	129,677
Less: provision against slow moving and obsolete stores and spares	8.1	(16,783)	(13,690)
		112,321	115,987

8.1 Provision against slow moving and obsolete stores and spares

		2020	2019
Opening balance		13,690	10,629
Provision made during the year	29	3,093	3,061
Closing balance		16,783	13,690

For the year ended March 31, 2020

		Note	2020	2019
9	STOCK-IN-TRADE		(Rupees '000)	
	Raw and packing materials and components (including goods-in-transit of Rs 151.548 million (2019: Rs 155.82 million))		1,031,491	1,043,932
	Work-in-process		321,260	440,877
	Finished goods (including in transit of Rs. 27.328 million (2019: Rs. 44.04 million))		562,587	724,931
			1,915,338	2,209,740
	Less: provision against slow moving and obsolete stock-in-trade	9.1	(34,262)	(33,307)
			1,881,076	2,176,433

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

	Note	2020	2019
Opening Balance		33,307	29,458
Provision made during the year	29	955	4,688
Provision written back		-	(839)
Closing Balance		34,262	33,307

9.2 Raw materials and components amounting to Rs 29.98 million (2019: Rs 30.934 million), Rs 0.244 million (2019: Rs 0.43 million) and Rs 0.025 million (2019: Rs 0.125 million) were held by Precision Polymers (Private) Limited, Wakil Enterprises and Nobel Enterprises, respectively, who under an arrangement with the Group, manufacture plastic containers, lids and vent plugs for the Group.

		Note	2020	2019
10	TRADE DEBTS (unsecured)		(Rupees '000)	
	Considered			
	- good		3,155,002	3,565,856
	- doubtful		76,169	52,062
			3,231,171	3,617,918
	Less: provision against doubtful trade debts	10.1	(76,169)	(52,062)
			3,155,002	3,565,856

10.1 Provision against doubtful trade debts

	Note	2020	2019
Opening Balance		52,062	44,528
Impact on adoption of IFRS 9 (note 2.3.1.2)		17,207	-
Provision made during the year	29	6,900	7,534
Closing balance		76,169	52,062

10.2 The age analysis of the trade debts and the corresponding provision is disclosed in note 2.3.1.3.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

		Note	2020	2019
11	LOANS AND ADVANCES		(Rupees '000)	
	Considered good - unsecured			
	Current portion of long term loans due from employees and executives	6	**1,227**	761
	Advances to:			
	- employees	11.1	**987**	-
	- suppliers		**28,806**	25,719
			31,020	26,480

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

		Note	2020	2019
12	TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		(Rupees '000)	
	Prepayments		**15,992**	34,029
	Insurance claims		**-**	3,700
	Receivable from defined benefit plans - related party	12.1	**17,037**	24,686
	Workers' Profits Participation Fund	12.2	**3,315**	3,315
	Container deposits		**2,105**	900
	Others		**1,248**	1,242
			39,697	67,872

12.1 Receivable from defined benefit plans

	2020			2019		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees '000)					
Balance at April 1	**(20,783)**	(3,903)	(24,686)	**(24,274)**	(2,630)	(26,904)
Charge for the year	**1,652**	(449)	1,203	**1,976**	(1,672)	304
Other comprehensive income	**5,208**	1,697	6,905	**1,804**	399	2,203
Contributions paid	**(459)**	-	(459)	**(289)**	-	(289)
Balance at March 31	**(14,382)**	(2,655)	(17,037)	**(20,783)**	(3,903)	(24,686)

12.1.1 The details of defined benefit plans and related disclosure are given in note 33 to the consolidated financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

12.2 Workers' Profits Participation Fund

	Note	2020	2019
		(Rupees '000)	
Balance at April 1		(3,315)	(1,272)
Allocation for the year	29	-	-
		(3,315)	(1,272)
Less amount paid during the year		-	(2,043)
Balance at March 31		(3,315)	(3,315)

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

13 CASH AND BANK BALANCES

	2020	2019
	(Rupees '000)	
Balances with banks - current accounts	139,889	73,083
Cheques in hand	139	75,851
Cash in hand	227	151
	140,255	149,085

14 ASSETS CLASSIFIED AS HELD FOR SALE

	2020	2019
Land	532,000	-
Building	20,015	-
	552,015	-

14.1 The Group owns an industrial land measuring 2.61 acres located at plot no. D-7, S.I.T.E., Karachi and buildings thereon (the property). The Group operates its sulphuric acid plant, batteries charging facilities and lead recovery plant at this property.

The Group has entered into an "Agreement to assignment" (an agreement to sell) on March 16, 2020 for disposal of this property with M/s Hassanali Sons ("the Buyer" - a related party and a partnership firm in which the major shareholders namely Mr. Arif Hashwani, Mr. Altaf Hashwani and Mr. Hussain Hashwani are the Partners).

The Group engaged the services of two professional valuers for assessing the market value of this property and disposed the property at the higher of the two valuations. The higher market value assessed by the professional valuer as per its report dated January 15, 2020 was Rs. 552.015 million (comprising of Rs. 532 million in respect of land and Rs. 20.015 million in respect of building).

The disposal transaction to M/S Hassanali Sons was approved by the Board of directors and the shareholders of the Group on January 30, 2020 and March 13, 2020 respectively.

A formal sale deed for the transfer of this property in the name of the buyer was not executed till March 31, 2020 as the registrar office in Karachi was closed due to COVID-19 situation in the country and the Group could not complete the transfer formalities until March 31, 2020.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

As at March 31, 2020 the management has recorded a liability of Rs 552.015 million representing advance received against disposal of this property from M/S Hassanali Sons in trade and other payables.(note 19).

In accordance with the requirement of IFRS 5: 'non current assets held for sale and discontinued operations' this property has been classified as held for sale in the consolidated financial statements for the year ended March 31, 2020 and has been carried at lower of carrying amount (last revalued on January 01, 2020 and the Group is carrying a surplus on revaluation of Rs 502.787 million on this property) and fair value less cost to sell.

In order for the Group to continue its manufacturing facility, M/S Hassanali Sons intends to allow the Group to use this property initially without rent. Upon improvement of operating performance of the Group, the Group will start rent payment for this property to M/S Hassanali Sons at prevailing market rate.

15 ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL

2020	2019		2020	2019
(Number of shares)			(Rupees '000)	
359,248	359,248	ordinary shares of Rs 10 each issued as fully paid in cash	3,592	3,592
20,894	20,894	ordinary shares of Rs 10 each issued for consideration other than cash	209	209
7,144,309	7,144,309	Ordinary shares of Rs 10 each issued as fully paid bonus shares	71,443	71,443
244,167	244,167	Ordinary shares of Rs 10 each issued to minority shareholders of Automotive Battery Company Limited	2,442	2,442
7,768,618	7,768,618		77,686	77,686

15.1 Shares held by the related parties of the Company

Name of the shareholders	2020	2019
	(Number of shares)	
Arif Hashwani	4300	500
Hussain Hashwani	1,250,601	1,250,601
Altaf Hashwani	1,412,945	1,412,945
S. Haider Mehdi	652	652
Syed Muhammad Faiq	87	87
Ms. Sana Arif Hashwani	1,604,553	1,593,053
Ms. Zaver Hashwani	1,595,687	1,595,687
Ayub Hameed	100	100
Arshad Shehzada	13	13

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

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

	Note	2020	2019
		(Rupees '000)	
Surplus on revaluation of operating fixed assets as at April 1		613,654	629 ,937
Surplus arising on revaluation during the year		608,430	-
Transferred to unappropriated profit / (accumulated loss) in respect of disposal of property plant and equipment		(102,421)	-
Transferred to unappropriated profit / (accumulated loss) in respect of incremental depreciation charged during the year		(16,632)	(16,283)
Surplus on revaluation of operating fixed assets as at March 31		1,103,031	613,654
Less: related deferred tax liability:			
- at beginning of the year		4,522	5,144
- on surplus arising on revaluation during the year		3,584	-
- on adjustment due to change in tax rate		526	73
- on assets disposed off during the year		(551)	-
- on incremental depreciation charged during the year		(886)	(695)
		7,195	4,522
		1,095,836	609,132

17 DEFERRED TAXATION - NET

	Note	2020	2019
		(Rupees '000)	
Deferred tax liability arising on taxable temporary differences due to:			
- Accelerated tax depreciation		38,271	47,151
- Revaluation surplus on property, plant and equipment	16	7,195	4,522
- Provision for gratuity		4,941	6,172
		50,407	57,845
Deffered tax assets arising on deductible temporary differences due to:			
- Provision against slow moving and obsolete stock-in-trade		(9,936)	(8,327)
- Provision against slow moving and obsolete stores and spares		(4,867)	(3,423)
- Provision against doubtful trade debts		(22,089)	(13,016)
- Provision against battery warranty claims		(13,515)	(33,079)
		(50,407)	(57,845)
		-	-

18 LONG TERM LOAN

	2020	2019
	(Rupees '000)	
Term loan	221,894	-

18.1 During the year the Group entered into an agreement with Habib Bank Limited to restructure its borrowing facility. As per the restructuring terms, the running finance facility limit of the Group has been revised from Rs 373 million to Rs 100 million and the outstanding amount of Running finance facilities amounting to Rs 226.5 million (in excess of Rs 100 million) has been converted into a term loan and is now re-payable in 24 monthly instalments with a grace period of four months starting from July 31, 2020. The restructuring of the loan has resulted in modification of the terms of the loan under the requirements of IFRS 9: "financial instruments". As a result of this arrangement, the old outstanding loan liability has been de-recognised as per the requirements of IFRS 9 and a new liability has been recognised which has resulted in gain of Rs 4.606 million. The loan is secured by way of joint / first pari passu hypothecation charge of Rs 7,175 million on stocks and book debts of the Company.

19 TRADE AND OTHER PAYABLES

	Note	2020	2019
		(Rupees '000)	
Trade creditors		656,185	408,250
Bills payable		130,181	150,162
Accured liabilities	19.1	169,735	258,540
Advances from customers		100,918	25,319
Provision for Workers' Welfare Fund		32,051	32,051
Provision against battery warranty claims	19.2	95,432	133,411
Payable to provident funds		2,003	1,878
Royalty payable		7,836	7,891
Sales tax payable		31,906	156,231
Insurance claims		525	-
Advance payment received against assets classified as held for sale	14.1	552,015	-
Others		6,237	8,559
		1,785,019	1,182,292

19.1 This includes an amount of Rs 4.906 million (2019: Rs 4.907 million) in respect of employees compensated absences.

19.2 Provision Against Battery Warranty Claims

	Note	2020	2019
		(Rupees '000)	
Balance at April 1		133,411	116,687
Charge for the year	26	244,693	364,268
Claims paid during the year		(282,672)	(347,544)
Balance at March 31		95,432	133,411

19.3 Based on the un-audited financial information of the provident and gratuity funds ('the Funds') as at March 31, 2020, investments by the provident and gratuity fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017, and the conditions specified thereunder.

20 ACCRUED PROFIT / MARK-UP

	2020	2019
	(Rupees '000)	
Profit accrued on:		
- Running Musharakah	61,029	53,476
- Tijarah	8,812	-
- Istisna	-	10,540
	69,841	64,016
Markup accrued on:		
- Running Finance	29,095	17,667
	98,936	81,683

21 LOAN FROM DIRECTOR

	Note	2020	2019
Unsecured			
- Loan from Director	21.1	111,275	306,275

21.1 This represents loan provided by Mr Arif Hashwani (the Director of the Group) for meeting the working capital requirements of the Group. The loan is unsecured and does not carry any interest. During the current year, the Group has received the extension in repayment of loan till March 2021. The following is the movement of this loan.

21.1.1 Movement of Loan from directors

	As at March 31, 2019	Receipts	Payments / Adjustment *	As at March 31, 2020
	(Rupees' 000)			
Loan from directors	306,275	90,000	(285,000)	111,275

* This includes adjustment amounting to Rs 265 million against disposal of property as disclosed in note 5.1.3.1.

22 SHORT-TERM BORROWINGS

	Note	2020	2019
		(Rupees '000)	
From banking companies - secured	22.1		
- Running Musharakah		965,952	1,924,873
- Tijarah		500,000	-
- Istisna		-	399,422
		1,465,952	2,324,295
- Running finance (note 18.1)		879,332	875,368
		2,345,284	3,199,663

22.1 These facilities, representing Running Musharakah, Istisna and Running Finance facilities, are available from certain commercial banks up to Rs. 3,610 million (2019: Rs. 4,459 million) and carry profit / mark-up rates ranging from 11.14% to 15.73 % (2019: 10.52% to 11.12%) per annum. These facilities are valid until November, 2020 and are generally renewable. At March 31, 2020, unutilised facilities available to the Group aggregated to Rs. 769 million (2019: Rs.1,259 million).

22.2 At March 31, 2020, unutilised letter of credit and letter of guarantee facilities from certain banks amounted to Rs. 2,097 million (2019: Rs. 4,262 million) in addition to the limit mentioned in note 22.1. Total letter of credit and letter of guarantee facilities sanctioned to the Group amounted to Rs. 2,571 million (2019: Rs. 4,471 million).

22.3 All the above mentioned facilities are secured by way of pari passu and joint hypothecation charge over the Group's present and future stock-in-trade and trade debts.

23 CONTINGENCIES AND COMMITMENTS

23.1 Holding company

23.1.1 Contingencies

Automotive Battery Company Limited (merged with Exide Pakistan Limited in prior years) had claimed carry over of tax holiday losses beyond the tax holiday period for set off against the profits of taxable period. The tax benefit claimed by the Company amounted to approximately Rs 24 million. This was adjudicated by the Income Tax Appellate Tribunal in the Company's favour and on a reference application for assessment years 1988-89,1989-90 and 1990-91 by the Income Tax Department, the Tribunal referred the question of law to the Honorable Sindh High Court, which upheld the order of the Tribunal vide its judgment dated January 27, 2006. The Tax Department has filed a further appeal before the Supreme Court of Pakistan against the judgment of the High Court which is currently pending. Based on the legal advice from the Company's lawyers and in view of the initial success upto the High Court level, the Company expects the final outcome to be in its favour and accordingly provision has not been made in these consolidated financial statements in respect of this amount.

The Company received a notice from the Directorate of Intelligence and Investigation – the Federal Board of Revenue (FBR), Lahore on April 15, 2011. In the said notice it was alleged that the Company had purchased goods from certain dummy / fake suppliers (suppliers) who got themselves registered with the Regional Tax Officers at Lahore, Faisalabad and Karachi. These suppliers issued fake sales tax invoices to the Company and accordingly the Company had claimed illegal / inadmissible input tax adjustment amounting to Rs 157.297 million for the period from July 2005 to February 2011. As a result the name of the Company was included as an accused person in the First Information Report (FIR) No. 04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation – FBR, Lahore.

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

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

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

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

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

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

- The Additional Director and Deputy Director of Directorate of Intelligence & Investigation (Inland Revenue), Karachi ("the Directorate") raided the registered office of the Company under section 38 of The Sales Act, 1990. The officials collected certain information from the Company. The purpose of the raid was not disclosed by the authorities and the Company believes that the raid conducted by the Directorate was illegal. The Honorable High Court of Sindh has served a notice to the Company on May 24, 2019 by giving reference to the order of the Honorable Supreme Court of Pakistan for payment of minimum of 50 percent of the tax liability calculated by the Income Tax Authorities belonging to this raid. The Company was required to pay the amount before May 30, 2019. The Company had filed a constitution petition in the Honorable Sindh High Court and requested that no coercive action against the Company should be taken. The hearing of the case has been adjourned many times and could not be held after the initial directive. The last date of hearing was fixed for March 26, 2020. However, due to the lockdown, the hearing could not take place as the courts were closed. The Company based on the advice of its legal counsel believes that the matter will be decided in the favour of the Company. No specific provision has been recognised in respect of the above matter in the consolidated financial statements as the details of eventual payment, if any, and the details of claims or defendant are not raised / communicated by the department and management is confident that there will not be any potential liability on this matter.

23.1.2 Commitments

	2020	2019
	(Rupees '000)	
- Commitments in respect of:		
Capital expenditure contracted for but not incurred	3,153	1,183
Letters of credit	323,584	159,541
Letters of guarantee	193,430	49,225

23.2 Subsidiary Company

There are no contingencies and commitments as at March 31, 2020.

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

24 SALES - net

	Note	Batteries 2020	Batteries 2019	Chemicals and Solar 2020	Chemicals and Solar 2019	Total 2020	Total 2019
		(Rupees '000)					
Sales		10,702,862	12,143,998	598,656	397,176	11,301,518	12,541,174
Sales tax		1,578,892	1,941,028	62,929	57,710	1,641,821	1,998,738
Discounts to distributors and customers		937,414	1,035,857	-	-	937,414	1,035,857
		2,516,306	2,976,885	62,929	57,710	2,579,235	3,034,595
Net sales		8,168,556	9,167,113	535,727	339,466	8,722,283	9,506,579

25 COST OF SALES

	Note	Batteries 2020	Batteries 2019	Chemicals and Solar 2020	Chemicals and Solar 2019	Total 2020	Total 2019
Opening stock		988,004	1,128,024	55,929	8,729	1,043,933	1,136,753
Purchases		6,106,402	7,136,234	535,111	247,930	6,641,513	7,384,164
		7,094,406	8,264,258	591,040	256,659	7,685,446	8,520,917
Closing stock		(1,010,621)	(988,004)	(20,870)	(55,929)	(1,031,491)	(1,043,933)
Raw and packing materials consumed		6,083,785	7,276,254	570,170	200,730	6,653,955	7,476,984
Salaries, wages and benefits	25.1	295,142	303,855	34,613	30,559	329,755	334,414
Spares consumed		44,341	53,072	-	-	44,341	53,072
Rent, rates and taxes	25.2	2,632	1,345	1,280	162	3,912	1,507
Fuel, power and water		338,852	324,319	49,119	41,273	387,972	365,592
Insurance		26,301	25,420	1,793	1,751	28,094	27,171
Repairs and maintenance		50,994	57,512	8,996	9,637	59,990	67,149
Depreciation	5.3	139,143	146,570	6,069	5,428	145,212	151,998
Amortisation	5.3	7,379	7,426	322	275	7,701	7,701
General expenses		46,180	49,841	6,091	5,645	52,271	55,486
Opening stock of work-in-process		438,445	450,546	2,432	2,271	440,877	452,817
Closing stock of work-in-process		(319,903)	(438,445)	(1,357)	(2,432)	(321,260)	(440,877)
Cost of goods manufactured		7,153,291	8,257,715	679,529	295,299	7,832,820	8,553,014
Opening stock of finished goods		714,393	696,760	10,538	9,512	724,931	706,272
		7,867,684	8,954,475	690,067	304,811	8,557,751	9,259,286
Closing stock of finished goods		(362,778)	(714,393)	(199,809)	(10,538)	(562,587)	(724,931)
		7,504,906	8,240,082	490,258	294,273	7,995,164	8,534,355

25.1 Salaries, wages and benefits include Rs 10.318 million (2019: Rs 8.521 million) in respect of staff retirement benefits.

25.2 The Company has a rent free tenancy agreement with Zaver Enterprises (related party) therefore, no rent has been charged during this year.

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26 SELLING AND DISTRIBUTION EXPENSES

	Note	Batteries		Chemicals and Solar		Total	
		2020	2019	2020	2019	2020	2019
		(Rupees '000)					
Salaries, wages and benefits	26.1	98,825	92,822	16,578	513	115,403	93,335
Repairs and maintenance		702	1,152	98	-	800	1,152
Royalty	26.2	7,836	7,891	-	-	7,836	7,891
Advertising and promotion		84,340	172,915	470	-	84,810	172,915
Rent, rates and taxes		22,722	23,788	3,378	-	26,100	23,788
Insurance		20,642	23,341	22	-	20,664	23,341
Printing and stationery		765	1,047	-	-	765	1,047
Carriage and forwarding		195,334	195,174	4,506	3,366	199,840	198,540
Battery waranty claims	19.2	244,693	364,268	-	-	244,693	364,268
Travelling, conveyance and entertainment		21,763	22,856	2,726	-	24,489	22,856
Depreciation	5.3	2,929	3,086	128	114	3,057	3,200
Amortisation	5.3	155	156	7	6	162	162
Postage, telegram, telephone and telex		2,095	2,330	109	-	2,204	2,330
General expenses		25,286	23,253	1,831	154	27,117	23,407
		728,089	934,079	29,851	4,153	757,940	938,232

26.1 Salaries, wages and benefits include Rs 1.330 million (2019: Rs 1.672 million) in respect of staff retirement benefits.

26.2 Royalty is paid by the Holding Company to The Furukawa Battery Group Limited, Japan, having its registered office at 4-1, Hoshikawa 2-Chome, Hodogaya-Ku, Yokohama-Shi, Kanagawa-Ken, Japan, and has been computed in accordance with the provisions of the agreements between The Furukawa Battery Group Limited, Japan and Holding Company.

27 ADMINISTRATION AND GENERAL EXPENSES

	Note	Batteries		Chemicals and Solar		Total	
		2020	2019	2020	2019	2020	2019
		(Rupees '000)					
Salaries, wages and benefits	27.1	78,154	83,660	2,312	2,055	80,466	85,715
Repairs and maintenance		5,926	5,120	147	127	6,073	5,247
Legal and professional charges		7,177	4,367	257	107	7,434	4,474
Rent, rates and taxes		77	279	2	7	79	286
Insurance		944	1,061	23	26	967	1,087
Depreciation	5.3	4,394	4,629	192	171	4,586	4,800
Amortisation	5.3	233	234	10	9	243	243
Printing and stationery		1,118	1,760	27	43	1,145	1,803
Travelling, conveyance and entertainment		6,249	7,456	153	183	6,402	7,639
Communication and postage		2,024	2,106	50	52	2,074	2,158
General expenses		6,783	8,193	167	213	6,950	8,406
		113,078	118,865	3,341	2,993	116,419	121,858

27.1 Salaries, wages and benefits include Rs 1.232 million (2019: Rs 1.548 million) in respect of staff retirement benefits.

Notes to and Forming Part of the Consolidated Financial Statements

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28 OTHER INCOME

	Note	2020	2019
		(Rupees '000)	
Profit on margin deposits		3,714	1,301
Gain on disposal of property, plant and equipment (note 5.1.3)		153,296	3,663
Scrap sales		3,144	6,356
Gain on modification of terms of financial liability (note 19.1)		4,606	-
Reversal of rent		-	7,199
Other		1,800	-
		166,560	18,519

29 OTHER OPERATING CHARGES

	Note	2020	2019
		(Rupees '000)	
Auditors' remuneration	29.1	6,180	4,619
Workers' Profits Participation Fund	12.2	-	-
Workers' Welfare Fund		-	-
Donations	29.2	645	499
Provision against doubtful trade debts	10.1	6,900	7,534
Provision against slow moving and obsolete stores and spares	8.1	3,093	3,061
Provision against slow moving and obsolete stock-in-trade	9.1	955	4,688
Bank charges		9,305	7,535
Exchange loss		24,933	54,449
Legal and professional charges		59	57
		52,070	82,442

29.1 Auditors' remuneration

	2020	2019
Audit fee	2,529	1,779
Tax advisory services	1,668	857
Fee for the review of half yearly financial statement	506	506
Special reports and certifications, audit of provident and gratuity funds	894	894
Out of pocket expenses	583	583
	6,180	4,619

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

30 FINANCE COST

	Note	2020	2019
		(Rupees '000)	
Profit on short-term running musharakah		251,203	171,023
Profit on short-term Tijarah		8,812	-
Profit on short-term istisna		11,095	35,680
Mark-up on short-term running finance		132,018	52,403
		403,128	259,106

31 TAXATION - NET

	2020	2019
	(Rupees '000)	
Current - for the year	129,182	110,907
- for prior years	(4,592)	(8,190)
Deferred - net	(1,557)	(9,044)
	123,033	**93,673**

31.1 Tax charge for the year ended March 31, 2020 represents minimum tax payable under the Income Tax Ordinance, 2001, and for this reason, relationship between tax expense and accounting profit has not been presented.

31.2 The Group computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:

	Provision for taxation	Tax assessed	Excess / (shortage)
		(Rupees '000)	
2019	110,907	106,315	4,592
2018	153,768	145,578	8,190
2017	353,007	344,644	8,363

Notes to and Forming Part of the Consolidated Financial Statements

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32 LOSS PER SHARE (LPS)

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

	2020	2019
	(Rupees '000)	
Loss after taxation attributable to ordinary shareholders	**(558,911)**	(504,568)
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	**7,768,618**	7,768,618
	(Rupees)	
Loss per share (LPS)	**(71.94)**	(64.95)

32.1 A diluted loss per share has not been presented as the Group does not have any convertible instruments in issue as at March 31, 2020 and 2019 which would have any effect on the loss per share if the option to convert is exercised.

33 DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

33.1 Defined benefit plan - Staff retirement gratuity plan

General description

As mentioned in note 4.12 (a), the Group operates an approved funded gratuity plan covering all eligible employees. The latest actuarial valuation of the plan has been carried out as at March 31, 2020 and expense and remeasurement gain / loss has been recorded based on this latest actuarial valuation report. Presently, separate funds are operating for the employees of Exide Pakistan Limited (Exide) and Ex-Automotive Battery Company Limited (ABCL) respectively as permitted under the scheme of amalgamation.

Principal actuarial assumptions

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

	2020		2019	
	Exide	ABCL	Exide	ABCL
a. Valuation discount rate	**9.50%**	9.50%	**13.25%**	13.25%
b. Salary increase rate	**9.50%**	9.50%	**13.25%**	13.25%
c. Expected rate of return on plan assets	**9.50%**	9.50%	**13.25%**	13.25%

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

The gratuity scheme exposes the entity to the following risks:

Mortality risks

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

Investment risks

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

Final salary risks

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

Risk of insufficiency of assets

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

Withdrawal risk

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

33.1.1 The amount recognised in the consolidated statement of financial position is determined as follows: (note 12.1)

		2020			2019		
	Note	Exide	ABCL	Total	Exide	ABCL	Total
		(Rupees '000)					
Present value of defined benefit obligation		**37,223**	3,274	40,497	**36,232**	3,170	39,402
Less: fair value of plan assets	33.1.2	**(51,605)**	(5,929)	(57,534)	**(57,015)**	(7,073)	(64,088)
		(14,382)	(2,655)	(17,037)	**(20,783)**	(3,903)	(24,686)

33.1.2 Plan assets comprise of the following:

	2020			
	Rupees '000'	Percentage composition	Rupees '000'	Percentage composition
	EXIDE		ABCL	
Debt instruments	17,022	33%	-	-
Mutual funds	9,095	18%	1,546	26%
Equity instruments	392	1%	347	6%
Cash at bank	25,096	49%	4,036	68%
	51,605	100%	5,929	100%

	2019			
	Rupees '000'	Percentage composition	Rupees '000'	Percentage composition
	EXIDE		ABCL	
Debt instruments	44,730	78%	3,714	52%
Mutual funds	11,582	20%	2,549	36%
Equity instruments	392	1%	347	5%
Cash at bank	311	1%	463	7%
	57,015	100%	7,073	100%

	2020						
	Present value of obligation	Fair value of plan assets	Sub-total	Present value of obligation	Fair value of plan assets	Sub-total	Total
	EXIDE			ABCL			
	(Rupees' 000)						
At April 1	36,232	(57,015)	(20,783)	3,170	(7,073)	(3,903)	(24,686)
Current service cost	4,808	-	4,808	69	-	69	4,877
Interest expense / (income)	4,110	(7,266)	(3,156)	373	(891)	(518)	(3,674)
Past service cost	-	-	-	-	-	-	-
	45,150	(64,281)	(19,131)	3,612	(7,964)	(4,352)	(23,483)
Remeasurements:							
- Return on plan assets, excluding amount included in interest	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	(3,236)	8,444	5,208	365	1,332	1,697	6,905
	(3,236)	8,444	5,208	365	1,332	1,697	6,905
Contribution	-	(459)	(459)	-	-	-	(459)
Benefit payments	(4,691)	4,691	-	(703)	703	-	-
At March 31	37,223	(51,605)	(14,382)	3,274	(5,929)	(2,655)	(17,037)

Notes to and Forming Part of the Consolidated Financial Statements

For the year ended March 31, 2020

	2019						
	Present value of obligation	Fair value of plan assets	Sub-total	Present value of obligation	Fair value of plan assets	Sub-total	Total
	EXIDE			ABCL			
	(Rupees' 000)						
At April 1	34,956	(59,230)	(24,274)	13,109	(15,739)	(2,630)	(26,904)
Current service cost	4,150	-	4,150	659	-	659	4,809
Interest expense / (income)	2,865	(5,039)	(2,174)	768	(998)	(230)	(2,404)
Past service cost	-	-	-	(2,101)	-	(2,101)	(2,101)
	41,971	(64,269)	(22,298)	12,435	(16,737)	(4,302)	(26,600)
Remeasurements:							
- Return on plan assets, excluding amount included in interest expense	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	(2,175)	3,979	1,804	(595)	994	399	2,203
	(2,175)	3,979	1,804	(595)	994	399	2,203
Contribution	-	(289)	(289)	-	-	-	(289)
Benefit payments	(3,564)	3,564	-	(8,670)	8,670	-	-
At March 31	36,232	(57,015)	(20,783)	3,170	(7,073)	(3,903)	(24,686)

33.1.3 Charge for defined benefit plan

	2020			2019		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees' 000)					
Current service cost	**4,808**	**69**	**4,877**	4,150	659	4,809
Interest expense	**(3,156)**	**(518)**	**(3,674)**	(2,174)	(230)	(2,404)
Past service cost	-	-	-	-	(2,101)	(2,101)
	1,652	**(449)**	**1,203**	1,976	(1,672)	304

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

	2020					
	Impact on defined benefit obligation - increase / (decrease)			Impact on defined benefit obligation - increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	EXIDE			ABCL		
	in percentage	... (Rupees' 000)		in percentage	... (Rupees' 000)	
Discount rate	1.0%	(2,144)	2,438	1.0%	(142)	157
Salary increase rate	1.0%	2,166	(1,913)	1.0%	58	(51)
Withdrawal rate	10.0%	30	(30)	10.0%	5	(5)

	Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
	EXIDE		ABCL	
	(Rupees' 000)			
Life expectancy / withdrawal rate	37,238	37,208	3,278	3,270

	2019					
	Impact on defined benefit obligation - increase / (decrease)			Impact on defined benefit obligation - increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	EXIDE			ABCL		
	in percentage	... (Rupees' 000)		in percentage	... (Rupees' 000)	
Discount rate	1.0%	(2,087)	2,373	1.0%	(131)	145
Salary increase rate	1.0%	2,109	(1,862)	1.0%	55	(48)
Withdrawal rate	10.0%	29	(29)	10.0%	5	(6)

	Increase by 1 year in assumption	Decrease by 1 year in assumption	Increase by 1 year in assumption	Decrease by 1 year in assumption
	EXIDE		ABCL	
	(Rupees' 000)			
Life expectancy / withdrawal rate	36,248	36,216	3,174	3,162

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

33.1.5 The weighted average duration of the defined benefit obligation is 6.76 years and 4.58 years (2019: 6.18 years and 4.31 years) in Exide and ABCL respectively.

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

At March 31, 2020	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	(Rupees' 000)				
Gratuity Exide	5,211	3,497	13,819	71,265	93,792
Gratuity ABCL	766	515	1,313	3,344	5,938
Total	5,977	4,012	15,132	74,609	99,730

33.1.7 Historical information

	2020	2019	2018	2017	2016
	(Rupees' 000)				
Defined benefit obligation - Exide	**37,223**	36,232	34,956	33,668	43,122
Defined benefit obligation - ABCL	**3,274**	3,170	13,109	15,508	18,586
	40,497	39,402	48,065	49,176	61,708
Fair value of plan assets - Exide	**(51,605)**	(57,015)	(59,230)	(62,492)	(59,041)
Fair value of plan assets - ABCL	**(5,929)**	(7,073)	(15,739)	(18,042)	(22,250)
	(57,534)	(64,088)	(74,969)	(80,534)	(81,291)
Surplus	**(17,037)**	(24,686)	(26,904)	(31,358)	(19,583)
Remasurement (gain) / loss on obligation - Exide	**(3,236)**	(2,175)	1,176	11,479	(1,417)
Remasurement (gain) / loss on obligation - ABCL	**365**	(595)	(2,006)	2,211	(1,417)
	(2,871)	(2,770)	(830)	13,690	(2,834)
Gain / (loss) on plan assets - Exide	**8,444**	3,979	2,434	(4,180)	(861)
Gain / (loss) on plan assets - ABCL	**1,332**	994	1,339	1,924	(861)
	9,776	4,973	3,773	(2,256)	(1,722)

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33.1.8 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Gratuity cost comprising the service cost and the net interest income for the next year works out to Rs. 4.158 million and Rs. (0.079) million for Exide and ABCL respectively as per the actuarial valuation report of the Group as of March 31, 2020.

33.1.9 The disclosures made in notes 33.1 to 33.1.8 are based on the information included in the actuarial valuation report of the Holding Company as of March 31, 2020.

33.2 Defined contribution plan - provident fund

An amount of Rs 9.340 million (2019: Rs 9.033 million) has been charged during the year in respect of contributory provident fund maintained by the Group.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees' 000)							
Short - term employee benefits								
Managerial remuneration	3,959	3,755	8,588	8,551	24,267	24,149	36,814	36,455
Bonus	-	-	-	-	2,050	1,166	2,050	1,166
Leave Pay	26	87	236	-	595	2,213	857	2,300
Housing, utilities and reimbursable expenses	-	13	2,478	2,478	11,802	10,293	14,280	12,784
Medical expenses	396	368	845	829	2,430	2,409	3,671	3,606
Retirement benefits								
Defined benefit plan	-	-	114	228	598	755	712	983
Defined contribution plan	-	-	274	274	1,083	964	1,357	1,238
	4,381	4,223	12,535	12,360	42,825	41,949	59,741	58,532
Number of persons	1	1	2	2	12	12	15	15

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

34.2 Remuneration to other directors

Aggregate amount charged in the consolidated financial statements for fee to directors was Rs 0.14 million (2019: Rs 0.15 million).

35 TRANSACTIONS WITH RELATED PARTIES

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

	Key Management personnel		Other Related Parties	
	2020	2019	2020	2019
	(Rupees '000)			
Transactions with key management personnel:				
- Salaries	20,291	41,695	-	-
- Defined benefit plan - post employment benefits	114	807	-	-
- Defined contribution plan	274	882	-	-
Expenses charged in respect of staff contribution plan	-	-	9,340	9,033
Expenses charged in respect of staff defined benefit plan	-	-	1,203	304

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

S.No.	Related Party Name	Basis of association	Aggregate % of Shareholding
1	Zaver Enterprises	Common Directorship	N/A
2	Arif Hashwani	Directorship	N/A
3	Hassanali Sons	Associated undertaking	N/A

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

35.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Group considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

35.4 Particulars of transactions with staff retirement benefit plans are disclosed in note 33 to these consolidated financial statements.

35.5 The details of property transactions entered with related parties have been disclosed in notes 5.1.3.1 and 14.1 to these consolidated financial statements.

36 PRODUCTION CAPACITY

The actual production capacity of the battery plant cannot be determined as it depends on the proportion of different types of batteries produced which varies in relation to the consumer demand. The actual production during the year was according to market demand. The installed capacity of the chemical plants is 33,000 MT (2019: 33,000 MT) per annum whereas actual production during the year was 26,782 MT (2019: 26,032 MT).

37 CASH GENERATED FROM OPERATIONS

	Note	2020	2019
		(Rupees '000)	
Loss before taxation		**(435,878)**	(410,895)
Adjustment:			
Depreciation	5.3	**152,855**	159,998
Amortisation	5.3	**8,106**	8,106
Gain on disposal of property, plant and equipment	28	**(153,296)**	(3,663)
Provision against slow moving and obsolete stores and spares	29	**3,093**	3,061
Provision against doubtful trade debts - net	29	**6,900**	7,534
Provision against slow moving and obsolete stock-in-trade	29	**955**	4,688
Provision written back	9.1	**-**	(839)
Finance cost	30	**403,128**	259,106
Working capital changes	37.1	**1,522,870**	(549,569)
		1,508,733	(522,473)

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37.1 Working Capital Changes

	2020	2019
	(Rupees '000)	
(Increase) / decrease in current assets		
spares	573	(13,644)
stock-in-trade	294,402	86,102
Trade debts	386,747	(426,689)
Loans and advances	(4,540)	7,071
Trade deposits, short-term prepayments and other receivables	21,270	(11,739)
	698,452	(358,899)
(Decrease) / increase in trade and other payables (including accrued profit)	602,525	(190,670)
Adjustment for movement in cash and equivalents	221,894	-
	1,522,870	(549,569)

38 CASH AND CASH EQUIVALENTS

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

	Note	2020	2019
		(Rupees '000)	
Cash and bank balances	13	140,255	149,085
Short-term borrowings	22	(2,345,284)	(3,199,663)
		(2,205,029)	(3,050,578)

38.1 Reconciliation of liabilities arising from financing activities

	As at March 31, 2019	Non-cash changes	Cash flows	As at March 31, 2020
		(Rupees '000)		
Long term loan	-		221,894	221,894
Loan from director	306,275	-	(195,000)	111,275
Total libilities from financing activities	306,275	-	26,894	333,169

39 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

		Note	Batteries		Chemicals and Solar		Company	
			2020	2019	2020	2019	2020	2019
			(Rupees '000)					
	Net Sales	24	8,186,556	9,167,113	535,727	339,466	8,722,283	9,506,579
	Cost of Sales	25	(7,504,906)	(8,240,082)	(490,258)	(294,273)	(7,995,164)	(8,534,355)
	Gross Profit		681,650	927,031	45,469	45,193	727,119	972,224
	Selling and distribution expenses	26	(728,089)	(934,079)	(29,851)	(4,153)	(757,940)	(938,232)
	Administration and general expenses	27	(113,078)	(118,865)	(3,341)	(2,993)	(116,419)	(121,858)
	Other income	28	3,144	6,356	-	-	3,144	6,356
	Unallocated other income	39.7	-	-	-	-	163,416	12,163
							166,560	18,519
	Unallocalated other operating charges	39.7 & 29	-	-	-	-	(52,070)	(82,442)
	Operating (loss) / profit		(156,373)	(119,557)	12,277	38,047	(32,750)	(151,789)
39.1	Segment assets		6,127,211	7,168,428	400,964	265,458	6,528,175	7,434,024
39.2	Unallocated assets	39.7					1,842,704	1,121,817
							8,370,879	8,555,841
39.3	Segment liabilities		320,173	310,517	14,194	6,266	334,367	316,783
39.4	Unallocated liabilities	39.7					4,233,914	4,459,206
							4,568,281	4,775,989
39.5	Capital expenditure		54,965	48,967	3,597	1,813	58,562	50,780
39.6	Depreciatoin expense		143,467	154,285	9,388	5,713	152,855	159,998

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

40 FINANCIAL INSTRUMENTS BY CATEGORY

40.1 Financial assets and financial liabilities

	2020	2019
	(Rupees '000)	
Financial assets		
At amortised cost		
Loans and advances	**31,511**	27,065
Long - term deposits	**42,480**	46,814
Trade debts	**3,155,002**	3,565,856
Trade deposits and other receivables	**20,390**	30,528
Cash and bank balances	**140,255**	149,083
	3,389,638	3,819,346
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**1,068,129**	968,691
Unclaimed dividend	**5,873**	6,076
Accured mark-up	**98,936**	81,683
Long term loan	**221,894**	-
Loan from Director	**111,275**	306,275
Short-term borrowings	**2,345,284**	3,199,663
	3,851,391	4,562,388

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

41.1 Credit risk

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

Concentration of credit risk

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

Credit risk arises from bank balances and credit exposures to customers, including trade debts. The financial assets of the Group that are subject to credit risk amounted to Rs 3,379.636 million (2019: Rs 3,819.346 million).

Out of the total bank balance of Rs 139.889 million (2019: Rs 73.083 million) placed with banks maintained in current accounts, amounts aggregating Rs 39.212 million (2019: Rs 70.716 million) have been placed with banks having short-term credit rating of A1+. Whereas the remaining amounts are placed with banks having minimum short term credit rating of A1. Management, after giving due consideration to their strong financial standing, does not expect non–performance by these counter parties on their obligations to the Group.

The most significant financial asset exposed to credit risk is the trade debts of the Group. For trade debts, individual credit limits are assigned to customers keeping in view their payment history, financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The concentration of credit risk lies in the top 15 (2019: 15) customers which constitute 34% (2019: 37%) of the Group's trade debts.

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

Due from customers	2020	2019
	(Rupees '000)	
Direct customers	**142,158**	211,740
Distributors	**3,089,013**	3,406,178
	3,231,171	3,617,918

Out of Rs 3,231.171 million (2019: Rs 3,617.918 million), the Group has provided Rs 76.169 million (2019: Rs 52.062 million) as amounts being doubtful. The age profile of trade debts overdue and impaired to the extent of Rs 76.169 million (2019: Rs 52.062 million) has been disclosed in note 2.3.1.3 to these consolidated financial statements.

41.2 Liquidity risk

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

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

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

41.3 Market Risk

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

41.3.1 Foreign currency risk

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

Bills payable	2020	2019
	(Amount '000)	
US Dollar	704	685
Japanese Yen	-	38,526
GB Pound	-	11
Euro	70	77

As at March 31, 2020, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound and Euro with all other receivables held constant, loss before taxation for the year would have been lower / higher by Rs 1.165 million (2019: Rs 1.596 million).

41.3.2 Interest rate risk

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

Sensitivity analysis for variable rate instruments

Presently, the Group has KIBOR based short-term and long term borrowings from certain banks that expose the Group to cash flow interest rate risk. In case of increase / decrease in KIBOR by 100 basis points on March 31, 2020, with all other variables held constant, the net assets and loss before taxation for the year would have been lower / higher by Rs 24.442 million (2019: Rs 32.813 million).

The movement in liability under short-term borrowings and KIBOR rates are expected to change over time. Therefore, the sensitivity analysis prepared as at March 31, 2020 is not necessarily indicative of the effect on the Group's net assets due to future movement in interest rates.

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

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

	2020							
	Effective interest rate (in percentage)	Interest / mark-up bearing			Non Interest / mark-up bearing			Total
		Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
On Balance sheet financial instruments								
	(Rupees' 000)							
Financial assets								
Loans and receivable								
Loans and advances		-	-	-	31,020	491	31,511	31,511
Long-term deposits		-	-	-	-	42,480	42,480	42,480
Trade receivables		-	-	-	3,155,002	-	3,155,002	3,155,002
Trade deposits and other receivables		-	-	-	20,390	-	20,390	20,390
Cash and bank balances		-	-	-	140,255	-	140,255	140,255
		-	-	-	3,346,667	42,971	3,389,638	3,389,638
Financial liabilities								
Financial liabilities at amortised cost								
Trade and other payables		-	-	-	1,068,129	-	1,068,129	1,068,129
Unclaimed dividend		-	-	-	5,873	-	5,873	5,873
Accured profit / mark-up		-	-	-	98,936	-	98,936	98,936
Long term loan	KIBOR + 1%	84,938	136,956	221,894	-	-	-	221,894
Loan from Director			-		111,275	-	111,275	111,275
Short terms borrowings	11.14 -15.73	2,345,284	-	2,345,384	-	-	-	2,345,284
		2,430,222	136,956	2,567,178	1,284,213	-	1,284,213	3,851,391
On balance sheet gap		(2,430,222)	(136,956)	(2,567,178)	2,062,454	42,971	2,105,425	(461,753)
Off-balance sheet financial instruments								
Commitments in respect of capital expenditure		-	-	-	3,153	-	3,153	3,153
Commitments in respect of Letter of credit		-	-	-	323,584	-	323,584	323,584
Outstanding bank guarantees		-	-	-	193,430	-	193,430	193,430
		-	-	-	520,167	-	520,167	520,167

	2019							
	Effective interest rate (in percentage)	Interest / mark-up bearing			Non Interest / mark-up bearing			Total
		Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
On Balance sheet financial instruments								
	(Rupees' 000)							
Financial assets								
Loans and receivable								
Loans and advances		-	-	-	26,480	585	27,065	27,065
Long-term deposits		-	-	-	-	46,814	46,814	46,814
Trade receivables		-	-	-	3,565,856	-	3,565,856	3,565,856
Trade deposits and other receivables		-	-	-	30,528	-	30,528	30,528
Cash and bank balances		-	-	-	149,085	-	149,085	149,085
		-	-	-	3,771,949	47,399	3,819,348	3,819,348
Financial liabilities								
Financial liabilities at amortised cost								
Trade and other payables		-	-	-	968,691	-	968,691	968,691
Unclaimed dividend		-	-	-	6,076	-	6,076	6,076
Accured profit / mark-up		-	-	-	81,683	-	81,683	81,683
Loan from Director		-	-	-	306,275	-	306,275	306,275
Short-term borrowings	10.52 - 11.12	3,199,663	-	3,199,663	-	-	-	3,199,663
		3,199,663	-	3,199,663	1,362,725	-	1,362,725	4,562,388
On balance sheet gap		(3,199,663)	-	(3,199,663)	2,409,224	47,399	2,456,623	(743,040)
Off-balance sheet financial instruments								
Commitments in respect of capital expenditure		-	-	-	1,183	-	1,183	1,183
Commitments in respect of Letter of credit		-	-	-	159,541	-	159,541	159,541
Outstanding bank guarantees		-	-	-	49,225	-	49,225	49,225
		-	-	-	209,949	-	209,949	209,949

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

41.3.3 Price risk

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

41.4 Fair value of financial instruments

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

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

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

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

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

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

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

41.4.1 Certain categories of operating fixed assets (leasehold land, buildings on leasehold land and assets classified as held for sale include revaluation surplus) (level 3 measurement) determined by a professional valuer based on their assessment of the market values as disclosed in note 5 to these Consolidated financial statements. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these Consolidated financial statements.

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42 CAPITAL RISK MANAGEMENT

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

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

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

	2020	2019
	(Rupees '000)	
Total borowing	**2,678,453**	3,505,938
Less: Cash and bank balances	**140,255**	149,085
Net debt	**2,538,198**	3,356,853
Total equity	**3,802,598**	3,779,852
	6,340,796	7,136,705
Gearing ratio	**40.03%**	47.04%

43 NUMBER OF EMPLOYEES

	2020	2019
	Number	
43.1 Number of employees at March 31		
- Permanent	**325**	343
- Contractual	**29**	31
	354	374

This includes 202 (2019: 179) number of factory employees

	2020	2019
43.2 Average number of employees during the year		
- Permanent	**334**	394
- Contractual	**30**	32
	364	426

This includes 191 (2019: 178) number of factory employees

Notes to and Forming Part of the consolidated Financial Statements

For the year ended March 31, 2020

44 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

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

(i) Loans obtained as per Islamic mode - refer note 22
(ii) Mark up paid on Islamic modes of financing - refer note 30
(iii) Profits earned or interest paid on any conventional loans, deposits or advances - refer notes 29 and 30.

45 GENERAL AND CORRESPONDING FIGURES

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

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. 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 Group temporarily suspended its operations from March 23, 2020. In the Group's case, the lockdown was subsequently relaxed from end of May, 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Group henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future. Due to this, management has assessed the accounting implications of these developments on these consolidated financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9, 'Financial Instruments';
- the impairment of tangible assets under IAS 36, 'Impairment of non financial assets';
- the net realisable value of inventory under IAS 2, 'Inventories';
- the debt covenants of the loans obtained from banks; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these consolidated financial statements.

46 DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on August 4, 2020 by the Board of Directors of the Group.

Altaf Hashwani Chairman	**Arshad Shehzada** Chief Executive Officer	**S. Haider Mehdi** Chief Financial Officer

Pattern of Shareholding

as on March 31, 2020

	HAVING SHARES			
NO. OF SHAREHOLDERS	From	To	SHARES HELD	PERCENTAGE
1259	1	100	40980	0.5275
511	101	500	139008	1.7894
172	501	1000	126681	1.6307
124	1001	5000	247173	3.1817
7	5001	10000	53000	0.6822
2	10001	15000	24360	0.3136
1	15001	20000	16104	0.2731
2	45001	50000	98899	1.2731
1	105001	110000	106040	1.3650
1	110001	115000	114582	1.4749
1	425001	430000	427499	5.5029
1	510001	515000	510724	6.5742
1	1250001	1255000	1250601	16.0981
1	1410001	1415000	1412944	18.1878
1	1595001	1600000	1595687	20.5402
1	1600001	1605000	1604336	20.6515
2086	**Company Total**		**7768618**	**100.0000**

Categories of Shareholders

as on March 31, 2020

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO, & CHILDREN	11	5867738	75.5313
NIT & ICP	2	165	0.0021
BANKS, DFI & NBFI	2	347	0.0045
INSURANCE COMPANIES	1	427499	5.5029
MUTUAL FUNDS	2	518024	6.6682
GENERAL PUBLIC (LOCAL)	1982	611644	7.8733
GENERAL PUBLIC (FOREIGN)	54	26134	0.3364
OTHERS	24	201758	2.5971
JOINT STOCK COMPANIES	3	76	0.0010
FOREIGN COMPANIES	3	114623	1.4755
CHARITABLE TRUST	1	12	0.0002
MODARABAS	1	598	0.0077
Company Total	**2086**	**7768618**	**100.0000**

Folio No	Name	Code	Balance Held	Percentage
000000000916	MRS SANA HASHWANI	001	217	0.0028
000000001026	SYED HAIDER MEHDI	001	638	0.0082
000000001190	MR ALTAF HASHWANI	001	1	0.0000
000000001733	MR SYED HAIDER MEHDI	001	14	0.0002
003277005882	ARIF HASHWANI	001	3200	0.0412
003277007548	HUSSAIN HASHWANI	001	1250601	16.0981
003277007974	ALTAF HASHWANI	001	1412944	18.1878
003277012059	ARSHAD SHAHZADA	001	13	0.0002
003277070721	SYED MUHAMMAD FAIQ	001	87	0.0011
003277086852	SANA ARIF HASHWANI	001	1604336	20.6515
003277086965	ZAVER HASHWANI	001	1595687	20.5402
000000000360	INVESTMENT CORPN OF PAKISTAN	003	19	0.0002
000000001349	M/S INVESTMENT CORPORATION OF PAKISTAN	003	146	0.0019
000083000036	IDBL (ICP UNIT)	004	48	0.0006
003889000028	NATIONAL BANK OF PAKISTAN	004	299	0.0038
002683000023	STATE LIFE INSURANCE CORP. OF PAKISTAN	005	427499	5.5029
012120000028	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	006	7300	0.0940
014902000021	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	006	510724	6.5742
000000000417	KHADIM ALI SHAH BUKHARI & CO	010	68	0.0009

Categories of Shareholders

as on March 31, 2020

Folio No	Name	Code	Balance Held	Percentage
000000001301	M/S HABIB BROTHERS (PVT) LTD	010	304	0.0039
000000001544	M/S MUTUAL TRDG. CO. (PVT) LTD.	010	595	0.0077
000000001822	ZAVER ENTERPRISE	010	106040	1.3650
000364242907	KHOJA (PIRHAI) SHIA ISNA ASHARI JAMAT	010	2	0.0000
003228005190	SARFRAZ MAHMOOD (PRIVATE) LTD	010	15	0.0002
003277001225	HASHOO HOLDINGS (PVT) LTD	010	16104	0.2073
003277001339	PREMIER FASHION (PVT) LTD	010	1700	0.0219
003277044333	FATEH TEXTILE MILLS LTD.	010	359	0.0046
003277045148	TRUSTEES MRS.KHORSHED H.DINSHAW &MR.HOSHANG N.E.DINSHAW C.TR	010	1061	0.0137
003277078335	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	010	48899	0.6294
003277082127	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	010	1716	0.0221
003277089566	LIBERTY MILLS LIMITED	010	11360	0.1462
003525057191	SARFRAZ MAHMOOD (PRIVATE) LTD	010	85	0.0011
003525064045	NH CAPITAL (PRIVATE) LIMITED	010	29	0.0004
003525087235	MAPLE LEAF CAPITAL LIMITED	010	1	0.0000
003525089724	SUNRAYS TEXTILE MILLS LIMITED	010	560	0.0072
005736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	010	200	0.0026
006684000029	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT) LTD	010	500	0.0064
010470000029	GPH SECURITIES (PVT) LTD.	010	700	0.0090
011692000021	ABA ALI HABIB SECURITIES (PVT) LIMITED	010	60	0.0008
015578000021	BEST SECURITIES (PVT) LIMITED	010	300	0.0039
016857000026	MRA SCEURITIES LIMITED-MF	010	9800	0.1261
017525000024	BEST SECURITIES (PRIVATE) LIMITED - MF	010	1300	0.0167
000000000348	HOSHANG DINSHAW (PVT) LTD	011	24	0.0003
000000000811	PERIN DINSHAW (PVT) LTD	011	17	0.0002
000000000812	PERIN DINSHAW (PVT) LTD-MQURESH	011	35	0.0005
000000000795	NOMURA BANK (LUXEMBOURG) SA	012	5	0.0001
000000001053	TEMPLETON GLOBAL STRATEGY SICAV	012	36	0.0005
000000001292	M/S FURUKAWA BATTERY CO LTD	012	114582	1.4749
000000001818	GHULAMAN-E-ABBAS EDUCATIONAL & MEDICAL TRUST	013	12	0.0002
000000001289	M/S FIRST UDL MODARABA	014	598	0.0077

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Online Quizzes
jamapunji.pk
@jamapunji_pk

Form of Proxy

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

I/We ____

of ______________________ in the district of ______________________

being a member of Exide Pakistan Limited and a holder of ______________________

Ordinary Shares as per Share Register Folio Number ______________________

hereby appoint ____

of ______________________ in the district of ______________________

or failing him ____

of ______________________ as my/our proxy to vote for me/us on my/our behalf at the Sixty Seventh Annaul General Meeting of the Company to be held on August 27, 2020 and at any adjournment thereof.

Signature this day of 2020.

Signature on Revenue Stamp

____

Signature of Proxy

Signature should agree with the specimen signature registered with the Company

فارم برائے پراکسی

سالانہ اجلاس عام

میں/ہم ____________ سکنہ __________ ضلع ________ بحیثیت ممبر ایکسائیڈ پاکستان لمیٹڈ، بذریعہ ہذا کمپنی کے ممبر ____________ سکنہ __________ کو ، اور اس کی عدم موجودگی کی صورت میں دوسرے ممبر ___________ سکنہ _________ کو اپنی جگہ 27 اگست 2020 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام یا کسی ملتوی شدہ اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کرتا/کرتی ہوں/ کرتے ہیں ۔

مورخہ ________ 2020 کو درج ذیل گواہان کی موجودگی میں دستخط کئے گئے ۔

۱۔ دستخط ____________________	۲۔ دستخط ____________________
نام: ____________________	نام: ____________________
پتہ: ____________________	پتہ: ____________________
CNIC یا پاسپورٹ نمبر ______________	CNIC یا پاسپورٹ نمبر ______________

فولیو/CDC اکاؤنٹ نمبر

-/10 روپے کے ریوینیو ٹکٹ پر دستخط

یہ دستخط کمپنی میں رجسٹرڈ نمونے کے دستخط کے مطابق ہونا چاہیئے

اہم ہدایات:

ہر لحاظ سے مکمل اور دستخط شدہ پراکسی فارم، کمپنی کے رجسٹرڈ آفس A-44 سائٹ کراچی میں اجلاس شروع ہونے کے وقت سے کم از کم 48 گھنٹے پہلے لازمی طور پر پہنچ جانا چاہیئے

کوئی ایسا شخص پراکسی مقرر نہیں کیا جاسکتا جو کمپنی کا ممبر نہ ہو، البتہ کارپوریشن کسی غیر ممبر کو پراکسی مقرر کر سکتی ہے۔

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

CDC اکاؤنٹ ہولڈرز / کارپوریشن اکائیوں کیلئے ہدایات

درج بالا کے علاوہ درج ذیل شرائط پوری ہونا بھی لازمی ہے:

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

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

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

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

A PUBLIC SERVICE MESSAGE BY

EXIDE

منتقلی کا امکان 70 فیصد ہوتا ہے۔

Transmission probability is 70%

عام فرد (ماسک)

Healthy Contact (With Mask)

کووڈ - 19 مریض (بغیر ماسک)

COVID 19 Carrier (Without Mask)

منتقلی کا امکان 5 فیصد ہوتا ہے۔

Transmission probability is 5%

عام فرد (بغیر ماسک)

Healthy Contact (Without Mask)

کووڈ - 19 مریض (ماسک)

COVID 19 Carrier (With Mask)

منتقلی کا امکان 1.5 فیصد ہوتا ہے۔

Transmission probability is 1.5%

عام فرد (ماسک)

Healthy Contact (With Mask)

کووڈ - 19 مریض (ماسک)

COVID 19 Carrier (With Mask)

نوٹ :- برائے مہربانی کسی بھی ایسے شخص سے ملنے سے اجتناب کریں جس نے ماسک نہیں پہنا ہو۔ کسی بھی قسم کا فیس ماسک پہننا ضروری ہے۔

NOTE: PLEASE REFUSE TO RELATE CLOSELY WITH ANYONE NOT WEARING A FACE MASK
ANY TYPE OF FACE MASK WILL DO