

# EXIDE<sup>®</sup>



Annual Report 2021





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# EXIDE



No.1 Quality No.1 Choice

# EXIDE<sup>®</sup>

*Introducing*

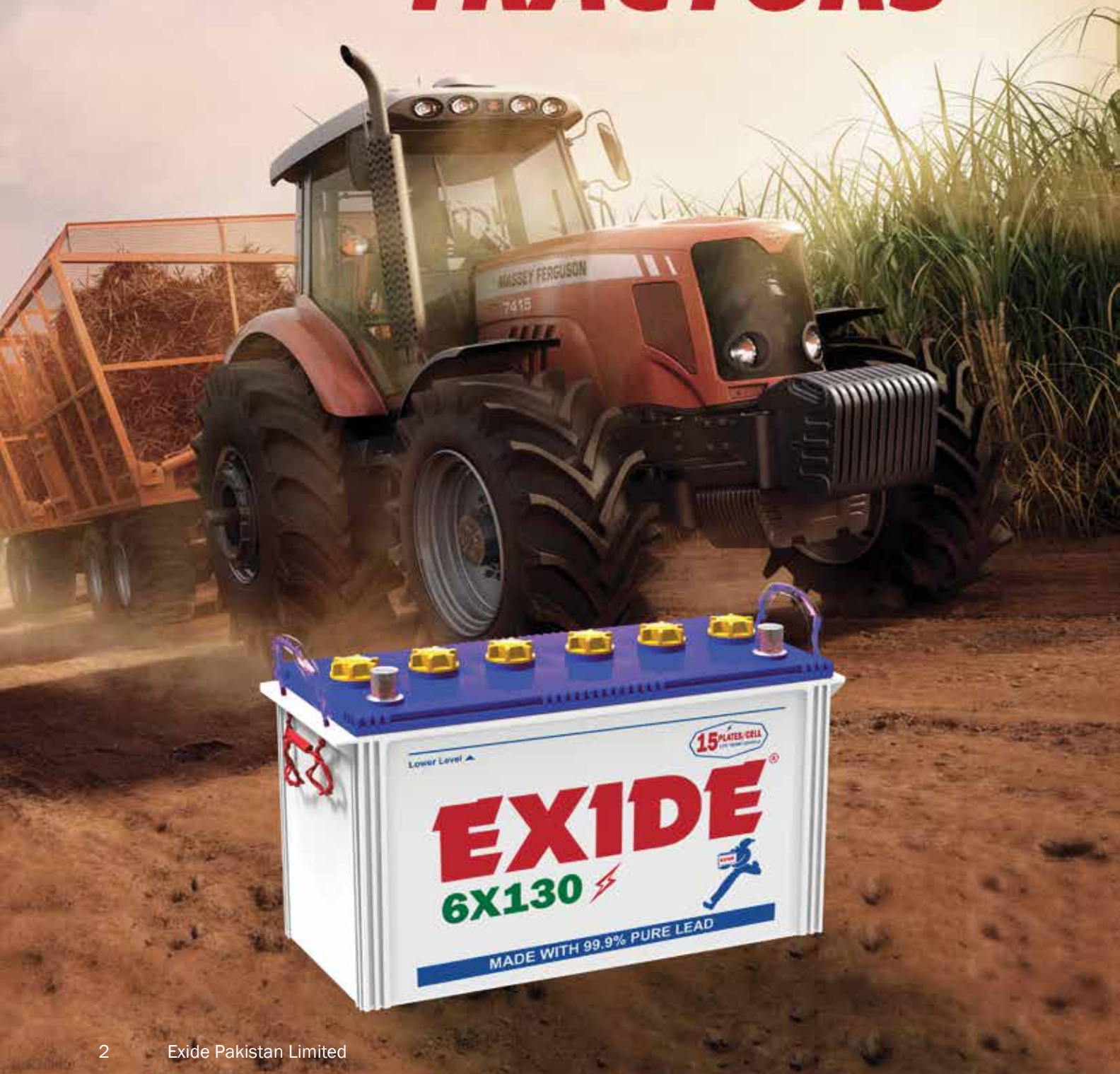
## TALL TUBULAR Batteries





**EXIDE**

**UNMATCHED  
PERFORMANCE  
FOR TRACTORS**



# Vision

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

# Mission

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





# SWITCH TO **EXIDE**<sup>®</sup>



# Corporate Profile

## Board Of Directors

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

## Chief Financial Officer

S. Haider Mehdi

## Audit Committee

Ayub Hameed - Chairman  
Altaf Hashwani  
Quaid Johar Udaipurwala  
Salim Abdul Ali - Secretary

## Human Resource and Remuneration Committee

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

## Bankers

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

## Auditors

Yousuf Adil

## Solicitors

Orr, Dignam & Co.

## Registered Office

A-44, Hill Street, Off.  
Manghopir Road, S.I.T.E., Karachi-  
Pakistan.  
Website: [www.exide.com.pk](http://www.exide.com.pk)  
E-mail: [exidepk@exide.com.pk](mailto:exidepk@exide.com.pk)



# EXIDE<sup>®</sup>

## MAINTENANCE FREE

### CALCIUM+ TECHNOLOGY

# BATTERY LAGAO AUR BHOOOL JAO!



**12** months  
WARRANTY



**CHARGE  
INDICATOR**  
Displays the  
Charge Status



**NO TOP-UP  
REQUIRED**  
Sealed Maintenance Free

[www.exide.com.pk](http://www.exide.com.pk)  
f / ExidePakistanLimited

# Notice Of Annual General Meeting

Notice is hereby given that the Sixty Eighth Annual General Meeting of the shareholders of EXIDE Pakistan Limited will be held on Thursday, July 29, 2021 at 11.00 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 Thursday, August 27, 2020.
2. To receive and adopt the Audited Statements of Accounts for the year ended March 31, 2021 together with the Directors' and Auditors reports thereon.
3. To appoint auditors for the year 2021-2022 and fix their remuneration

By order of the Board



**Quaid Johar Udaipurwala**

Director and Company Secretary

Karachi: June 30, 2021



# Notice Of Annual General Meeting

## Notes

- 1 In view of 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 dated March 17, 2020, Circular No. 10 dated April 1, 2020, Circular No.33 dated November 05, 2020, Circular No. 4 dated February 15, 2021 and Circular No. 6 dated March 4, 2021, respectively, the Companies have been advised to modify their usual planning for annual general meetings for the well-being of the shareholders and avoid large gatherings by provision of video link facilities. Therefore, the Company intends to convene Sixty-Eight Annual General Meeting virtually via video link facilities managed from the Registered office of the Company at A-44, Hill Street, Off: Manghopir Road, SITE, Karachi.

In order to participate in the AGM proceedings via video link, the shareholders are required to email their Name, Folio Number, Cell phone number and Number of shares held in their name with subject "Registration for EXIDE AGM" along with valid copy of CNIC at [shareholders@exide.com.pk](mailto:shareholders@exide.com.pk). Video link and login details will be shared with those shareholders whose emails, containing all the required particulars, are received by close of the office on July 22, 2021.

Shareholders can also provide their comments and questions for the agenda items of the AGM at above referred email ID.

- 2 The Share Transfer Books of the Company will remain closed from Thursday, July 22, 2021 to Thursday, July 29, 2021 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar THK Associates (Private) Limited, Plot No. 32-C, Jami Commercial Street 2, Phase VII, DHA, Karachi - 75500 by close of business on Thursday, July 22, 2021 will be treated as being in time to attend and vote at the meeting.
- 3 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.

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.

- 4 The members are requested to notify the Share Registrar of any change in their address.
- 5 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.
- 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 2021 have been made available on the Company's website [www.exide.com.pk](http://www.exide.com.pk)

(1) ملک بھر میں کووڈ-19 کی وبائی صورت حال کے موجودہ حالات کے پیش نظر سیکیورٹی اینڈ ایکسچینج کے ذریعے درج کمپنیوں کو جاری کردہ ہدایات کے مطابق بالترتیب سرکلر نمبر 5 مورخہ 17 مارچ 2020، سرکلر نمبر 10 مورخہ 1 اپریل 2020، سرکلر نمبر 33 مورخہ 5 نومبر 2020، سرکلر نمبر 4 مورخہ 15 فروری 2021 اور سرکلر نمبر 6 مورخہ 4 مارچ 2021، کمپنیوں کو سالانہ عام اجلاس کیلئے ان کے معمول کی منصوبہ بندی پر نظر ثانی کرنے اور شیئر ہولڈرز کی فلاح و بہبود کیلئے ویڈیولنک کی سہولیات فراہمی کے ذریعے بڑے اجتماعات سے گریز کرنے کا مشورہ دیا گیا ہے۔ لہذا کمپنی اپنا اسٹھواں سالانہ عام اجلاس عملی طور پر کمپنی کے رجسٹرڈ آفس A-44 بل اسٹریٹ آف منگھوپیر روڈ، سائٹ کراچی سے منظم ویڈیو سہولیات کے ذریعے بلانے کا ارادہ رکھتی ہے۔

سالانہ عام اجلاس کی کاروائی میں ویڈیولنک کے ذریعے حصہ لینے کیلئے شیئر ہولڈرز کو اپنا نام، فوینو نمبر، موبائل نمبر اور ان کے نام پر شیئرز کی تعداد، مضمون (ایکسائیڈ اے جی ایم کیلئے رجسٹریشن) کے تحت اپنے شناختی کارڈ کی درست کاپی کے ساتھ [shareholders@exide.com.pk](mailto:shareholders@exide.com.pk) پر ای میل کرنا ہوگی۔ ویڈیولنک اور لاگ ان کی تفصیلات ان شیئر ہولڈرز کے ساتھ شیئر کی جائے گی جن کی تمام مطلوبہ تفصیلات 22 جولائی 2021 دفتری اوقات کے اندر موصول ہوئی ہوگی۔

شیئر ہولڈرز اپنے تبصرے اور سوالات اوپر دیئے گئے ای میل ایڈریس پر بھیج سکتے ہیں۔

(2) کمپنی کے شیئرز کی کتابیں جمعرات مورخہ 22 جولائی 2021 سے جمعرات 29 جولائی 2021 جن میں دونوں دن شامل ہیں بندر ہیں گی۔ ٹرانسفر کی درخواست کمپنی کے رجسٹرار THK Associates (Private) Limited جن کا پتہ پلاٹ نمبر C-32 جامی کمرشل اسٹریٹ 2، ڈی ایچ اے فیئر 7 کراچی۔ 75500 ہے جمعرات مورخہ 22 جولائی 2021 کو ختم ہونے والے کاروباری دن تک موصول ہونے پر میٹنگ میں شرکت اور ووٹ ڈالنے کا اہل ہوگا۔

(3) اجلاس میں شرکت اور ووٹ ڈالنے کے حقدار ممبر کسی اور کو اپنی طرف سے شرکت اور ووٹ ڈالنے کیلئے تحریری طور پر پر کسی مقرر کر سکتا ہے۔ پر کسی کا کمپنی کا ممبر ہونا لازمی نہیں ہے۔ ایک کارپوریٹ ادارہ رکن ہونے کے ناطے کسی بھی شخص خواہ وہ ممبر ہو یا نہیں پر کسی کے طور پر تقرر کر سکتا ہے۔ کارپوریٹ اداروں کی صورت میں نمائندگی اور ووٹ ڈالنے کیلئے نامزد شخص کے دستخط کے نمونے کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی کو مکمل پر کسی فارم کے ساتھ کمپنی میں جمع کیا جائے۔ پر کسی ہولڈر اپنے اصل شناختی کارڈ / پاسپورٹ میٹنگ کے وقت ساتھ لائے۔

جائزہ پراسیزر اجلاس کیلئے مقررہ وقت سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرائی جاسکتی ہیں۔

(4) ممبران سے گزارش ہے کہ وہ اپنے ایڈریس میں کسی بھی قسم کی تبدیلی کے بارے میں شیئر رجسٹرار کو مطلع کریں۔

(5) 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۔

(6) 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 2021 کو ختم ہونے والے سال کے کمپنی کے آڈٹ شدہ مالی حسابات کمپنی کی ویب سائٹ [www.exide.com.pk](http://www.exide.com.pk) پر بھی دستیاب ہے۔



## سالانہ اجلاس عمل کا نوٹس

اطلاع دی جاتی ہے کہ ایکسائیڈ پاکستان لمیٹڈ کا اڑسٹھواں سالانہ اجلاس عام بروز جمعرات 29 جولائی 2021 کو صبح 11:00 بجے بذریعہ ویڈیولنک کمپنی کے رجسٹرڈ دفتر بمقام A-44 ہل اسٹریٹ منگھوپیر روڈ سائٹ کراچی میں منعقد ہوگا۔ اس اجلاس میں مندرجہ ذیل امور زیر بحث لائے جائیں گے۔

### عام کاروبار

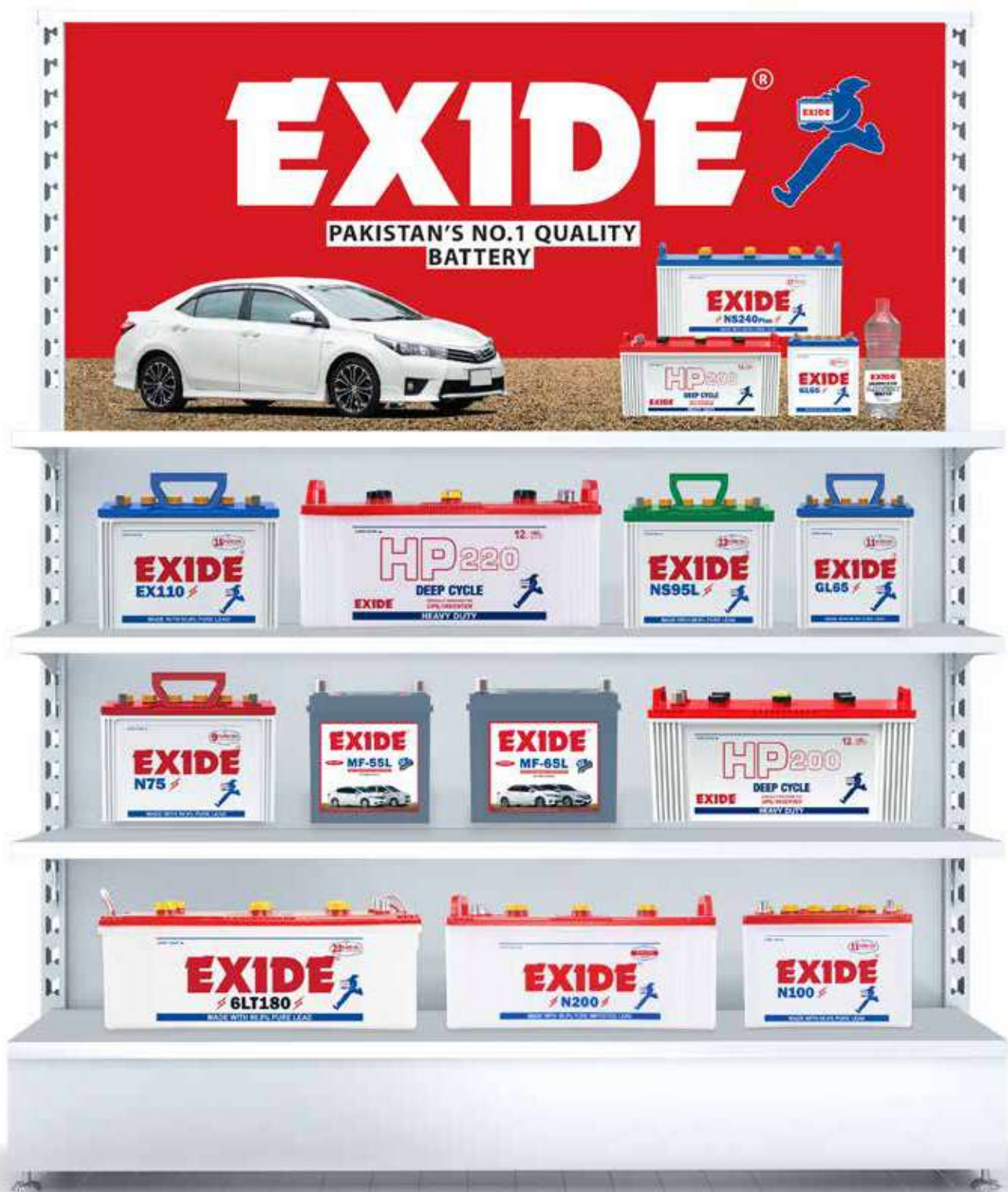
- جمعرات 27 اگست 2020 کو منعقد ہونے والے معمولی اجلاس عام کی کاروائی کو پڑھنا اور تصدیق کرنا۔
- 31 مارچ 2021 میں مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ اکاؤنٹس مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی اور منظوری۔
- سال 2021-22 کیلئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین۔

بحکم بورڈ



قائد جوہر اُدے پور والا (ڈائریکٹر اینڈ کمپنی سیکریٹری)

کراچی: 30 جون 2021





# Chairman's Review

I am pleased to welcome you to the 68th Annual General Meeting of your Company and present to you on behalf of the Board of Directors, the audited accounts of the Company for the year ended March 31, 2021, along with my review on the performance of the Company.

## The Economy

Pakistan's economy witnessed recovery with 3.94 percent growth in fiscal year-2021 as against the negative growth of 0.47 percent last year. It is worth mentioning that after 15 years, the economic growth has surpassed the target despite two successive waves of the Covid-19 pandemic in Pakistan. The fiscal year 2021 witnessed a broad-based recovery across all sectors supported by timely measures implemented by the government. The measures to uplift the agriculture sector paid off in terms of improved productivity of major crops. Similarly, the performance in large-scale manufacturing and exports is encouraging, the trade deficit is manageable, the current account is in surplus, the rupee is stable, and foreign currency reserves have surpassed US\$ 23 billion.

Pakistan trade deficit widened by 21.03 percent to US\$ 21.3 billion in 10 months of the current year as compared to US\$ 17.6 billion last year. Exports of goods grew by 6.5 percent during Jan-April-2021 and stood at US\$21 billion as compared to US\$ 19.7 billion last year. Imports grew by 13.5 percent to US\$ 42.3 billion as compared to US\$ 37.3 billion last year. The current account posted a surplus of \$ 0.8 billion in July-April-2021, for the first time in 17 years. Worker's remittances posted growth of 29 percent and reached US\$ 24.2 billion. Foreign Direct Investment posted a negative growth and fell by 35 percent to US\$ 1.40 billion during the first nine months of the fiscal year 2021 as compared to US\$ 2.15 billion in the same period last year. During the year 2021, the State Bank of Pakistan continued with an accommodative monetary policy of 7 percent which has supported economic recovery while keeping inflation under control and safeguarding financial stability.

## The Industry

The entire auto sector gave a brisk performance during 11 months of the current year on account of low-interest rates and better farm income. Car sales jumped by 62.2 percent to 149,797 units from 92,347 units, light commercial vehicles increased by 64.3 percent to 17,850 from 10,862 units, farm tractors sales grew by 66.7 percent to 45,667 units from 27,390 units. Sales of two and three-wheelers increased by 42.9 percent to 1,747,342 units from 1,222,826 as compared to the corresponding period of last year. Although Company sees demand generation for the automotive industry, it faces a challenge from the battery industry in the form of surplus capacity, tough competition, and a growing informal sector.

## 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 the production process was particularly stressed for further strengthening quality standards of the products of your Company.

## Sales

Net sales revenue of the Company under review increased by 34.32 percent from Rs.8.722 billion to Rs.11.716 billion on account of an increase in sales volume, better sales prices and improved market demands.

## Profitability

Gross profit for the year under review increased from Rs.0.727 billion to Rs.1.168 billion on account of better sales revenue and improved margins. Selling and distribution expenses were reduced by 9.46 percent from Rs.757.9 million to Rs.686.2 million despite an increase in sales volume on account of better logistic management and cost-cutting measures. Administration and general expenses increased by 11.86 percent from Rs.116.4 million to Rs.130.2 million on account of inflation. For the year under review, your Company had booked an operating profit

of Rs.356.3 million as against a loss of Rs.32.7 million in the last year. Financial cost reduced to Rs.180.6 million from Rs.403.1 million on account of fewer borrowings and reduction in markup rates.

Profit before tax for the year under view was Rs.175.7 million as compared to a loss before tax of Rs.435.8 million last year. Loss after tax for the year under report was Rs. 0.04 million compared to Rs.558.9 million last year. Loss per share was recorded at Rs.0.01 as against 71.94 last year.

## Future Prospects

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

## Acknowledgement

On behalf of myself and the Board of Directors of your Company. I take this opportunity of acknowledging the devoted and sincere services of all the employees 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 in us.



**Altaf Hashwani**

Chairman

Karachi: June 30, 2021



سیلز:

آپ کی کمپنی کی نیٹ سیلز آمدنی 34.32 فیصد اضافے کے ساتھ 8,722 ملین روپے سے بڑھ کر 11,716 ملین روپے رہی جس کی وجہ بیٹری کی فروخت میں اضافہ، قیمتوں میں بہتری اور مارکیٹ کی طلب میں اضافہ ہونا ہے۔

منافع:

زیر جائزہ سال کیلئے مجموعی منافع فروخت کی بہتر آمدنی اور بہتر مارجن کی وجہ سے 0.727 ملین روپے سے بڑھ کر 1.688 ملین روپے ہو گیا۔ بہتر رسد کے انتظام اور لاگت میں کٹوتی کے اقدامات کی وجہ سے حجم میں اضافہ ہونے کے باوجود فروخت اور تقسیم کے اخراجات میں 9.46 فیصد کمی کے ساتھ 757.9 ملین روپے سے کم ہو کر 686.2 ملین روپے ہو گئی۔ مہنگائی کی وجہ سے انتظامیہ اور عمومی اخراجات 11.86 فیصد سے بڑھ کر 116.4 ملین روپے سے بڑھ کر 130.2 ملین روپے ہو گئی۔ زیر جائزہ سال کیلئے آپ کی کمپنی نے 356.3 ملین روپے کا آپریٹنگ منافع حاصل کیا جبکہ گزشتہ سال 32.7 ملین روپے کا نقصان ہوا تھا۔ کم ادھار اور مارک اپ نرخوں میں کمی کی وجہ سے مالی لاگت 403.1 ملین روپے سے کم ہو کر 180.6 ملین روپے ہو گئی۔

زیر جائزہ سال میں ٹیکس سے پہلے کا منافع 175.7 ملین روپے رہا جبکہ گزشتہ سال ٹیکس سے پہلے کا نقصان 435.8 ملین روپے تھا۔ رپورٹ کے تحت رواں سال ٹیکس کے بعد ہونے والا نقصان 0.04 ملین روپے رہا جو کہ گزشتہ سال 558.9 ملین روپے تھا۔ فی حصص نقصان 71.94 روپے سے کم ہو کر 0.01 روپے ریکارڈ کیا گیا۔

مستقبل کے امکانات:

یہ متوقع ہے کہ مقامی منظم بیٹری صنعت پیداواری صلاحیتوں اور بدلتی ہوئی مارکیٹ کی حرکیات کی وجہ سے سخت مقابلے کا سامنا کرنا پڑے گا۔ یہ پیش گوئی کی جا رہی ہے کہ اگر مارکیٹ کے ذریعے فروخت کی قیمتوں میں اضافہ نہ کیا گیا تو بنیادی خام مال کی قیمتوں، توانائی، مزدوروں کی تنخواہ میں اضافے اور روپے کی قدر میں کمی اگلے سال میں بھی منافع پر اثر انداز ہو سکتے ہیں۔ لیکن آپ کی کمپنی کی انتظامیہ یقین دلاتی ہے کہ جدت، بیٹری کے معیار، پیداواری صلاحیت لاگت پر کنٹرول اور مسلسل توجہ مرکوز کرتے ہوئے اپنی مسابقت کو بہتر بناتے ہوئے مکمل فائدہ اٹھانے کا ارادہ رکھتی ہے۔

اعتراف خدمات:

میری جانب سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے میں کمپنی کے تمام کیڈرز کے ملازمین کی مخلص خدمات کو تسلیم کرنے کا موقع لیتا ہوں۔ میں کمپنی کے بینکوں، شیئر ہولڈرز، فروکار، بیٹری کمپنی لمیٹڈ (جاپان)، تھوک اور خوردہ فروش حضرات، مین ڈیلرز، کمپنی کے سپلائرز، فوجی فریٹلائزرز بن قاسم لمیٹڈ سمیت اپنے تمام گاہکوں، گاڑیوں کے پیداواری یونٹس اور سرکاری تنظیموں کا ہم پر بھروسہ کرنے پر شکرگزار ہوں۔



الطاف ہاشوائی

چیرمین

کراچی: 30 جون 2021



## چیمبر مین کا جائزہ:

میں آپ کی کمپنی کے 68 ویں سالانہ عام اجلاس میں آپ کو خوش آمدید کہتا ہوں۔ میں اپنی اور موجودہ بورڈ آف ڈائریکٹر کی جانب سے کمپنی کی مجموعی کارکردگی کی برائے سال 31 مارچ 2021 اور آڈیٹڈ اکاؤنٹس کا جائزہ پیش کر رہا ہوں۔

## معیشت:

پاکستان کی معیشت مالی سال 2021 میں 3.94 فیصد اضافہ رہا جبکہ گزشتہ سال 0.47 فیصد کے منفی نمو تھی۔ یہ عمل قابل ذکر ہے کہ پندرہ سال بعد پاکستان میں کووڈ-19 کی وبائی امراض کی دولہروں کے باوجود معاشی نمودہف سے تجاوز کر گئی۔ مالی سال 2021 میں حکومت کے بروقت اقدامات کے ذریعے تمام شعبوں میں وسیع پیمانے پر بحالی ہوئی۔ زراعت کے شعبے کو ترقی دینے کے اقدامات اہم فصلوں کی بہتر پیداواری صلاحیت کی صورت میں نظر آئے۔ اسی طرح بڑے پیمانے پر مینوفیکچرنگ اور برآمدات میں کارکردگی حوصلہ افزا ہے، تجارتی خسارہ قابل انتظام ہے، کرنٹ اکاؤنٹ سرپلس میں ہے، روپیہ مستحکم ہے اور غیر ملکی کرنسی کے ذخائر 23 بلین امریکی ڈالر کو عبور کر چکے ہیں۔

پاکستان کا تجارتی خسارہ رواں سال کے 10 مہینوں میں 21.03 فیصد سے بڑھ کر 21.3 بلین امریکی ڈالر رہا جو گزشتہ سال 17.6 بلین امریکی ڈالر تھا۔ جنوری تا اپریل 2021 کے دوران سامان کی برآمدات میں 6.5 فیصد اضافہ ہوا جو کہ گزشتہ سال 19.7 بلین امریکی ڈالر کے مقابلے میں 21 بلین امریکی ڈالر رہیں۔ درآمدات 13.5 فیصد اضافے سے 42.3 امریکی ڈالر رہیں جو کہ گزشتہ سال 37.3 بلین امریکی ڈالر تھیں۔ کرنٹ اکاؤنٹ 17 سال میں پہلی بار جولائی تا اپریل 2021 میں 0.8 بلین امریکی ڈالر کی اضافی رقم رہی۔ کارکنوں کی ترسیلات زر میں 29 فیصد اضافہ ہوا اور وہ 24.2 بلین امریکی ڈالر تک پہنچ گئیں۔ براہ راست غیر ملکی سرمایہ کاری میں منفی نمو دیکھنے میں آئی اور مالی سال 2021 کے پہلے نو ماہ کے دوران 35 فیصد کمی سے 1.40 بلین امریکی ڈالر رہ گئی جبکہ گزشتہ سال اسی مدت میں یہ 2.15 بلین امریکی ڈالر تھی۔ سال 2021 کے دوران اسٹیٹ بینک آف پاکستان نے معاشی مالیاتی پالیسی کو 7 فیصد کے ساتھ جاری رکھا جس سے افراط زر کو کنٹرول کرنے میں اور مالی استحکام کو محفوظ رکھنے کے ساتھ معاشی بحالی کی حمایت کی ہے۔

## صنعت:

کم شرح سود اور بہتر فارم آمدنی کی وجہ سے پورے آٹو سیکٹر نے رواں سال کے 11 ماہ کے دوران تیز کارکردگی دکھائی۔ کاروں کی فروخت 62.2 فیصد اضافے سے 149,797 یونٹس ہو گئی جو کہ گزشتہ سال 92,347 یونٹس تھیں، چھوٹی کمرشل گاڑیاں 64.3 فیصد اضافے کے ساتھ 10,862 سے بڑھ کر 17,850 یونٹس ہو گئیں، فارم ٹریکٹر کی فروخت 66.7 فیصد اضافے کے ساتھ 27,390 سے بڑھ کر 45,667 یونٹس ہو گئیں۔ دو اور تین پہیوں والی گاڑیوں کی فروخت 42.9 فیصد اضافے کے ساتھ 1,222,826 یونٹس سے بڑھ کر 1,747,342 یونٹس ہو گئیں۔ اگرچہ کمپنی آٹو موٹو انڈسٹری کے لئے طلب کی پیداوار کو دیکھتی ہے لیکن اس کو بیٹری انڈسٹری کی جانب سے اضافی گنجائش، سخت مقابلہ اور بڑھتے ہوئے غیر رسمی شعبے کی شکل میں چیلنج کا سامنا 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 بھرپور طریقے سے عمل درآمد ہوا۔ آپ کی کمپنی کے مصنوعات کے معیار کو مزید تقویت دینے کیلئے پیداوار کے عمل کے تمام مراحل پر کوالٹی کنٹرول پر خصوصی توجہ دی گئی ہے۔

# Directors' Report

The Directors of your Company have pleasure in submitting their report on audited statements of accounts for the year ended March 31, 2021.

## Operating Results

The operating results of the Company are summarized as follows

(Rupees' 000)

Profit before taxation

175,690

Provisoin for taxation

(175,734)

Loss after texation

(44)

## Subsequent appropriations

During the year ended 31 March 2021, the Company operated at break-even point and as such the Board did not approve appropriation for the year under review.

## Loss per Share

The basic and diluted loss per share after tax is Re. 0.01 (2020: loss per share of Rs.71.94).

## 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 four executive directors, two non-executive directors and two Independent Directors which include one female independent director. Therefore, total number of non-executive directors on the Board of Directors of the Company is four.

## Meeting of the Board of Directors

During the year five meetings of Board of Directors were held. The attendance of the Directors is as follows:

Name of Director	Attendance
Mr. Arif Hashwani	05
Mr. Altaf Hashwani	05
Mr. Arshad Shahzada	04
Mr. Hussain Hashwani	05
Mr. Ayub Hameed	05
Mrs. Saira Soomro Najmi	05
Mr. S Haider Mehdi	05
Mr. Quaid Johar Udaipurwala	05



## 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 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 is not exposed to any risk as goods are sold to its customer against credit ceiling.

### 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 certification on Environmental Management System.

### Corporate Social Responsibility

The Company considers social, environmental and ethical matters in the context of the overall business Environment. The Company is committed to contribute for the welfare of the community. During the year the Company has paid Rs.678 thousand to Kidney Centre.

### Contribution of National Exchequer

The Company contributed Rs.2.336 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 19.9% 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 one Non-Executive Director and one executive director. 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) meetings during the year. Attendance by each was as follows:

Name of Member	Attendance
Mr. Ayub Hameed - Chairman	04
Mr. Altaf Hashwani - Member	04
Mr. Quaid Johar Udaipurwala - 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 37 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. 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 funds was Rs 125.6 million and Rs. 59.6 million respectively as on March 31, 2021.

### 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, 2021 is annexed

### Material Changes

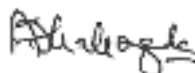
There have been no material changes since March 31, 2021 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

### Statutory Auditor of the Company

The present Auditors, M/s. Yousuf Adil, Chartered Accountants, retires and being eligible, offer themselves for re-appointment. The Audit Committee has recommended their re-appointment as Auditors of the Company for the year ending March 31, 2022.



**Arif Hashwani**  
Director



**Arshad Shahzada**  
Chief Executive Officer

Karachi: June 30, 2021

## آپریٹنگ اور مالیاتی ڈیٹا

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

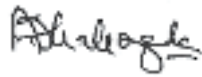
## پیٹرن آف شیئر ہولڈنگ

31 مارچ 2021 کا شیئر ہولڈرز کا پیٹرن منسلک کیا گیا ہے۔

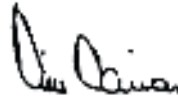
## مادی تبدیلیاں

اس رپورٹ کی تاریخ 31 مارچ 2021 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 ہو گئے۔

موجودہ آڈیٹرز، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کوریٹائر کیا جا رہا ہے اور انہوں نے خود کو دوبارہ تعیناتی کیلئے پیش کیا ہے۔ آڈٹ کمیٹی نے 31 مارچ 2022 کو ختم ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی حیثیت سے ان کی دوبارہ تقرری کیلئے سفارش کی ہے۔



ارشاد شہزادہ  
چیف ایگزیکٹو آفیسر



عارف ہاشوانی  
ڈائریکٹر

کراچی: 30 جون 2021



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

ممبرز کا نام	حاضری
جناب ایوب حمید (چیئرمین)	04
جناب الطاف ہاشوائی (ممبر)	04
قائد جوہر اُدے پوروالا (ممبر)	04

### ہیومن ریسورس کمیٹی

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

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

### ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز 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 ڈائریکٹر اپنے معاوضے کے فیصلے میں حصہ نہ لے۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔ تاہم، بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کیلئے آزاد ڈائریکٹرز کو میٹنگ کی فیس ادا کی جاتی ہے۔ ڈائریکٹرز اور سی ای او کے معاوضے سے متعلق معلومات کیلئے برائے مہربانی مالی حسابات کے نوٹ نمبر 37 کا مطالعہ کریں۔

### ریلیٹیڈ 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۔ ریلیٹیڈ 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 پروویڈنٹ فنڈ اور گریجویٹ فنڈ برقرار رکھتی ہے۔ پروویڈنٹ اور گریجویٹ فنڈ کی سرمایہ کاری کی مالیت 31 مارچ 2021 پر بالترتیب 125.6 ملین روپے اور 59.6 ملین روپے تھی۔

## 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 دہانی کے اعلیٰ معیار پر عمل پیرا ہے۔ روپے کی قدر میں کمی، خام مال کی قیمتوں میں 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 کو کسی بھی خطرے کا سامنا نہیں کیونکہ صارفین کو سامان کریڈٹ سیلنگ کی بنیاد پر فروخت کیا جاتا ہے۔

### تعمیل کے خطرات

آپ کے بورڈ اور انتظامیہ نے نہ صرف قابل اطلاق قوانین اور قواعد و ضوابط 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 لگاؤ اور سرمایہ کاری کر رہی ہے۔ آپ کی کمپنی نے ماحولیاتی نظم و نسق کے نظام پر آئی ایس او 14001-2015 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 سنٹر (Kidney Centre) کو 678 ہزار روپے کا چندہ دیا ہے۔

### قومی خزانے میں شراکت

جائزہ کے تحت رواں سال میں متعدد سرکاری محصولات، ٹیکسوں اور درآمدی دیوٹی کی وجہ سے کمپنی نے قومی اخراجات کیلئے 2.336 بلین روپے کا تعاون کیا۔ ان ٹیکسوں کی ادائیگی کمپنی کی خالص فروخت قیمت کا 19.9 فیصد ہے جو ایک اچھے ذمہ دار کارپوریٹ شہری کی حیثیت سے معاشی ترقی کے بارے میں کمپنی کے مثبت طرز عمل کو ظاہر کرتی ہے۔

### آڈٹ کمیٹی

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

ڈائریکٹر کا نام	حاضری
جناب عارف ہاشوائی	05
جناب الطاف ہاشوائی	05
جناب ارشد شہزادہ	04
جناب حسین ہاشوائی	05
جناب ایوب حمید	05
محترمہ سائرہ سومر و نجمی	05
جناب سید حیدر مہدی	05
جناب قائد جوہر اُدے پور والا	05

### کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر ڈائریکٹرز کا بیان

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک کے بارے میں ڈائریکٹرز 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 پراپرکس آف اکاؤنٹس مینین 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۔
- اندرونی 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 پریکٹس، لسٹنگ ریکوہیشن سے کوئی بڑا فرق نہیں ہے۔
- پچھلے دس سالوں کا مالی حساب کتاب اس رپورٹ کے ساتھ منسلک ہے۔

### تعمیل کا بیان

کمپنی سیکورٹیز 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 اسلڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کا جائزہ لیا ہے۔

### 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 ڈائریکٹرز کو رپورٹ کرتی ہے۔



## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والے سال کیلئے آڈیٹڈ اکاؤنٹس اور ان کی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

### آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کا خلاصہ مندرجہ ذیل ہے۔

روپے ہزار میں

175,690

(175,734)

(44)

قبل از ٹیکس منافع

ٹیکس

بعد از ٹیکس نقصان

### بعد کی تخصیصات

31 مارچ 2021 کو ختم ہونے والے سال کے دوران کمپنی نے نہ نفع نہ نقصان کی بنیاد پر کام کیا اور اس طرح بورڈ نے زیر غور سال کیلئے تخصیص کو منظور نہیں کیا۔

### نقصان فی شیئر

ٹیکس کے بعد فی شیئر بنیادی اور گھٹ جانے والا نقصان 0.01 روپے رہا (2020 خسارہ فی حصص 71.94 روپے)۔

### چیئر مین کا جائزہ

سالانہ رپورٹس میں چیئر مین کا جائزہ کاروبار کی نوعیت، کمپنی کی کارکردگی اور مستقبل کے امکانات اور غیر یقینی صورت حال سے متعلق معلومات شامل ہیں۔ بورڈ آف ڈائریکٹرز نے چیئر مین کے جائزے کی منظوری دے دی ہے۔

### بورڈ آف ڈائریکٹرز

بورڈ میں 4 ایگزیکٹو ڈائریکٹرز، 2 غیر ایگزیکٹو ڈائریکٹرز اور 2 آزاد ڈائریکٹرز شامل ہیں جن میں 1 خاتون آزاد ڈائریکٹر ہے۔ لہذا کمپنی کے بورڈ آف ڈائریکٹرز میں نان ایگزیکٹو ڈائریکٹرز کی کل تعداد 4 ہیں۔

### بورڈ آف ڈائریکٹرز کی میٹنگ:

رواں سال بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے ہیں۔ ڈائریکٹرز کی حاضری مندرجہ ذیل ہیں۔

# Statement of Compliance

**With the listed companies (Code of Corporate Governance) regulations, 2019 for the year ended March 31, 2021**

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
Executive Directors	Mr. Arif Hashwani Mr. Arshad Shahzada Mr. S Haider Mehdi Mr. Quaid Johar Udaipurwala
Female Independent Director	Mrs. Saira Soomro Najmi

The Board of Directors of the Company fixed the number of directors at seven. The Chief Executive is a deemed Director and such total number of directors is eight including a female director. The fraction of which works out to 2.67. After rounding of the fraction to number of independent directors comes to two.

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, 2017 (“the Act”) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board 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, five 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. In view of Covid-19 pandemic, one director could not get registered himself for training program. However, he will complete his training in the year 2020-21.

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.
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. Quaid Johar Udaipurwala
  - 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 meetings during the financial year ended March 31, 2021
  - b) HR and Remuneration Committee: one meeting during the financial year ended March 31, 2021
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, 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, 32, 33 and 36 are below
- a) 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.
  - b) Regulations 8 of the Code requires a company to have a composition of Board in which number of Executive directors shall not exceed one third of the Board. Currently four executive directors are serving as director of the company.
  - c) Regulation 27(2) of the Code requires that the Audit Committee shall meet at least once every quarter. Audit Committee meeting to approve unaudited financial statements for the first quarter ended on 30 June 2020 was held on 28 August 2020 in terms of the approval of Securities and Exchange Commission of Pakistan vide their letter no. EMD/233/443/2007-735 dated 10 June 2020.
  - d) Regulation 10(3)(v) of the code requires the Board to ensure a formal and effective mechanism is in place for annual evaluation of Board's own performance, member of the Board and of its committees. A draft mechanism for performance appraisal of the Board has been made by the company which is under the process of approval by the Board and which would be implemented after its approval.



**Altaf Hashwani**

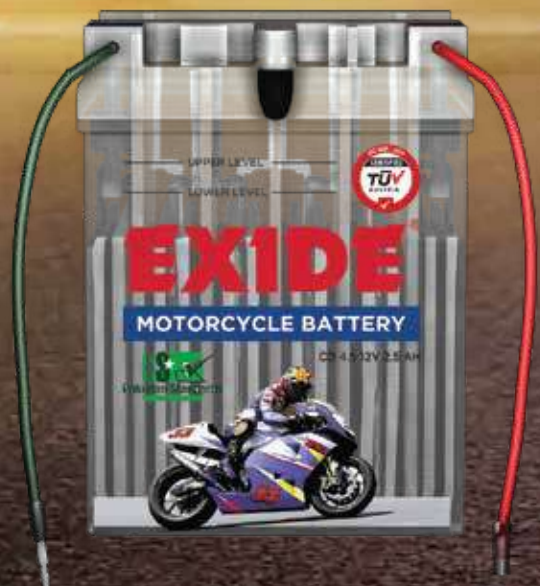
Chairman



**Arif Hashwani**

Director

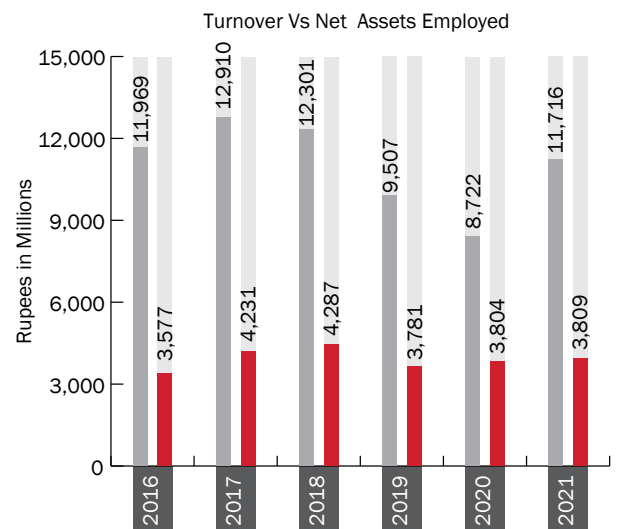
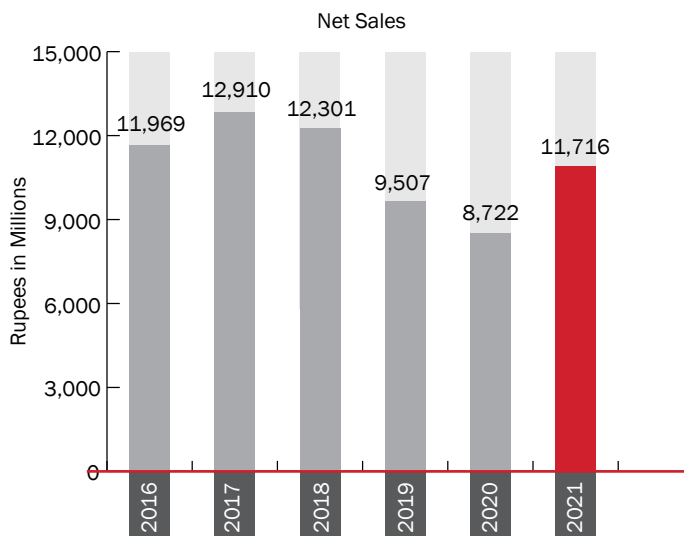
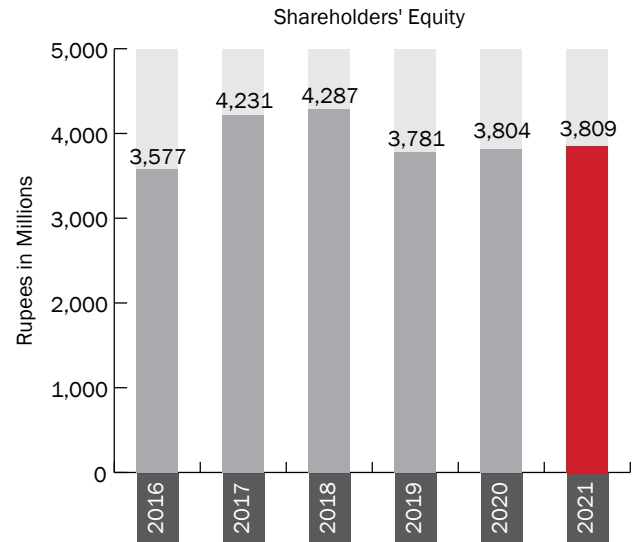
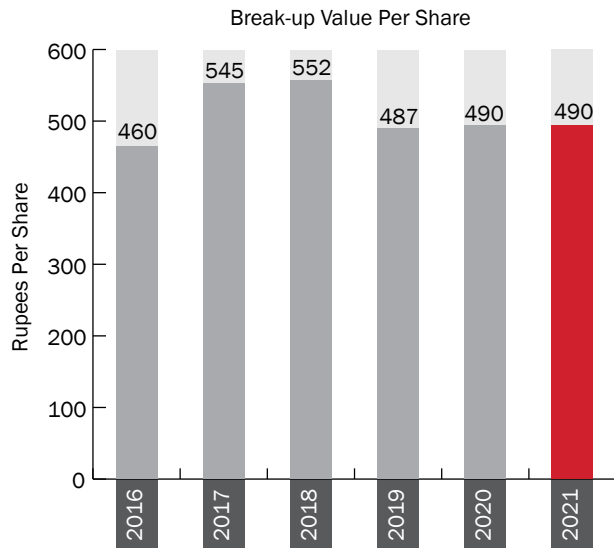
Karachi: June 30, 2021



## Performance Highlights

EXIDE PAKISTAN LIMITED	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
					Rupees' 000					
Net Sales	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	11,715,572
Operating Profit/(Loss)	658,025	791,779	699,880	871,707	825,706	1,125,900	336,220	(151,732)	(32,691)	356,295
Profit/(Loss) before Tax	500,926	753,452	603,457	617,481	651,542	1,060,935	193,962	(410,838)	(435,819)	175,690
Profit/(Loss) after Tax	320,145	485,856	401,092	447,685	424,616	739,256	21,621	(504,511)	(558,852)	(44)
Cash Dividend	42,374	42,374	58,265	58,265	77,686	97,108	-	-	-	-
Cash Dividend %	60	60	75	75	100	125	-	-	-	-
Stock Dividend	-	7,062	-	-	-	-	-	-	-	-
Stock Dividend %	-	10	-	-	-	-	-	-	-	-
Paid up Share Capital	70,624	70,624	77,686	77,686	77,686	77,686	77,686	77,686	77,686	77,686
Reserves & Unappropriated Profit	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	2,649,982
Surplus on Revaluation of fixed Assests	439,926	429,937	419,948	410,481	515,702	503,232	624,793	609,132	1,095,836	1,081,204
Share holders' Equity	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	3,808,872
Tangible Fixed Asset	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	1,271,461
Net Current Assests	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	2,687,479
					Rupees					
Earnings/(Loss) per share before Tax	70.93	106.68	77.68	79.48	83.87	136.57	24.97	(52.88)	(56.10)	22.62
Earnings/(Loss) per share after Tax	45.33	68.79	51.63	57.63	54.66	95.16	2.78	(64.94)	(71.94)	(0.01)
Share break-up value	266.86	331.35	347.74	398.08	460.41	544.57	551.85	486.69	489.62	490.29
					Percentage					
Ratio of :										
Operating Profit/(Loss) to Sales	7%	8%	6%	7%	7%	9%	3%	-2%	-0.4%	3.0%
Profit/(Loss) before Tax to Sales	5%	7%	5%	5%	6%	8%	2%	-4%	-5%	1%
Profit/(Loss) after Tax to Sales	3%	4%	3%	3%	4%	6%	0%	-5%	-6%	0%
Return/(Loss) on Equity	17%	21%	15%	14%	12%	17%	1%	-13%	-15%	0%

# Performance Highlights





# Performance Highlights

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%

Cost and Expenses Analysis 2021



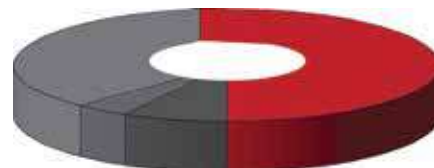
■ Cost of Goods Sold	90%
■ Selling and Distribution Expenses	6%
■ Administration Expenses	1%
■ Other Charges	0%
■ Financial Charges	2%
■ Taxation	2%
■ Net Loss	0%

Sales Analysis 2020  
Rupees in Millions



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

Sales Analysis 2021  
Rupees in Millions



■ Gross Sales	15,252
■ Sales Tax and Special Exice Duty	2,143
■ Discounts	1,393
■ Net Sales	11,716

# 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, 2021 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. 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.

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, 2021.

Further, we highlight below instance of non-compliances with the requirements of the Regulations as reflected in the note/paragraph referred below where these are stated in the Statement of Compliance:

S.No.	Paragraph Reference	Description
1	19	<p>Section 24 of the Regulations states that "No person shall be appointed as company secretary unless he holds the qualifications specified under the relevant regulations." Companies (General Provisions and Forms) Regulations, 2018 has prescribed the required qualification of company secretary. Company secretary should be either member of body of professional accountants/corporate secretaries or hold a master's degree.</p> <p>However, during the course of review it was observed that the company secretary is a commerce graduate and does not hold the required qualification.</p>

S.No.	Paragraph Reference	Description
2	19	<p>Section 10(3)(v) of the Regulations states that, “the Board shall ensure a formal and effective mechanism is put in place for annual evaluation of Board’s own performance, members of the Board and of its committees.”</p> <p>During the course of review it was observed that currently no formal mechanism for performance evaluation exists. However, as per management, a draft policy for performance appraisal of the Board is under the process of approval by the Board.</p>
3	19	<p>Section 27 (2)(i) of the Regulations states that, “the audit committee shall meet at least once every quarter of the financial year. “</p> <p>However, during the course of review it was observed that no audit committee meeting was held in the first quarter. During the year four audit committee meetings were held as per management. However due to COVID-19 first audit committee could not be held in first quarter and was held on August 04, 2020.</p>
4	19	<p>Section 8 of the Regulations states that,” the number of executive directors including the CEO shall not exceed the one third of the total number of directors.”</p> <p>However, the Board of company consists of four executive directors including company secretary which represent 50% of the total composition of the Board.</p>



Chartered Accountants

Place: Karachi

Date: July 05, 2021

# 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, 2021, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flow for the year then 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, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flow 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, 2021 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 unconsolidated 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 judgment, 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:

Key Audit Matters	How the matter was addressed in our audit
<b>1. Revenue Recognition</b>	
<p>The Company is engaged in manufacturing of batteries and import of solar panels and its sale to domestic as well export customers.</p> <p>Revenue from the local (including indirect exports) and export sales is recognised when control of goods is transferred to the customer as explained in note 4.18, and the related amounts of revenue recognised during the year are disclosed in note 27 to the unconsolidated financial statements.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"><li>Assessed appropriateness of the Company's accounting policies for revenue recognition in light of applicable accounting and reporting standards</li><li>Obtained understanding of design and evaluate implementation of controls designed to ensure that revenue is recognised in the appropriate accounting period and based on transfer of control of goods to the customer;</li></ul>



# INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How the matter was addressed in our audit
<p>We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognised on point in time basis i.e. when control of goods is transferred to the customer in line with the accounting policy adopted and may not have been recognised in the appropriate period.</p>	<ul style="list-style-type: none"> <li>• Checked on a sample basis whether the recorded local and export sales transactions were based on actual transfer of control of goods to the customer;</li> <li>• Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents</li> </ul>
<p><b>2. Provision for Warranty Claims</b></p>	
<p>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. As explained in note 4.12, 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 sold by the Company.</p> <p>The charge for the year in respect of provision for warranty claims amounted to Rs 215.140 million and the provision as at March 31, 2021 amounted to Rs 98.691 million.</p> <p>Due to the nature of the provision balance and related significant estimation involved, we considered it as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the warranty contract with customers and, evaluated the design and implementation of the related controls;</li> <li>• 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</li> </ul> <p>Assessed the relevant disclosures made in the unconsolidated financial statements to determine whether they complied with the accounting and reporting standards as applicable in Pakistan.</p>
<p><b>3. Impact of COVID-19</b></p>	
<p>The global political and economic uncertainties resulting from the COVID-19 pandemic along with the government's guidelines and decision to prevent the further spread of the hazardous out-break has resulted in significant volatility and business disruption at global level. The Company, being no exception, was also affected by the pandemic due to which the Company was forced to curtail the operations in the first quarter.</p> <p>The Company has taken various measures to absorb the impact and revive the operations level which have been disclosed in note 49 to the financial statements.</p> <p>We have identified the impact of COVID-19 as key audit matter due to the significance of its effects on the Company's operations and financing.</p>	<p>Our audit procedures to assess the identified key audit matter included the following:</p> <ul style="list-style-type: none"> <li>• Re-performing and assessing the impairment testing of current assets (including stock-in-trade, stores and spares, trade receivable and other receivables) carried out by management as at year end;</li> <li>• Reviewing correspondence relating to the salary loan obtained under SBP's Refinance scheme and assessment of recognition criteria adopted by the management in comparison with the requirements of IAS-20: Deferred Grants and ICAP's circular addressing the recognition and accounting for the salary loans issued by SBP to cope with the impact of COVID-19 through-out the country. Further, we also ensured that related covenants have not breached during the year.</li> <li>• Reviewing the correspondence related to the deferments of loans allowed by the designated banks.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

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

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

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement of therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under law. 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

- 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 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).

## Other Matter

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

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



Chartered Accountants

Place: Karachi

Dated: July 05, 2021

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# UNCONSOLIDATED **FINANCIAL STATEMENTS**

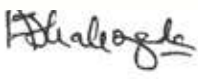


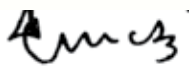
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021**

		2021	2020
	Note	(Rupees '000)	(Rupees '000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5	1,271,461	1,340,079
Long-term investment	6	-	224
Long-term loans	7	7,317	491
Long-term deposits	8	42,039	42,480
		<b>1,320,817</b>	<b>1,383,274</b>
<b>Current assets</b>			
Stores and spares	9	106,165	112,321
Stock-in-trade	10	2,748,574	1,881,076
Trade debts	11	2,333,976	3,155,002
Loans and advances	12	73,645	31,020
Trade deposits, prepayments and other receivables	13	45,047	39,697
Taxation recoverable		941,995	1,076,443
Cash and bank balances	14	94,226	140,253
		<b>6,343,628</b>	<b>6,435,812</b>
Assets classified as held for sale	15	-	552,015
		<b>7,664,445</b>	<b>8,371,101</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 18,000,000 (2020: 18,000,000) ordinary shares of Rs 10 each		<b>180,000</b>	<b>180,000</b>
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		(706,091)	(725,920)
Revaluation surplus on property, plant and equipment - net of tax	17	1,081,204	1,095,836
		<b>3,808,872</b>	<b>3,803,675</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loan	18	80,331	221,894
SBP refinance scheme for payment of salaries and wages	19	113,287	-
Deferred government grant	20	5,806	-
Deferred taxation - net	21	-	-
		<b>199,424</b>	<b>221,894</b>
<b>Current liabilities</b>			
Trade and other payables	22	1,240,777	1,784,889
Unclaimed dividend		5,873	5,873
Accrued profit / mark-up	23	41,843	98,936
Loan from director	24	103,550	110,550
Short-term borrowings	25	2,004,474	2,345,284
Current portion of long term loan	18	113,250	-
Current portion of deferred government grant	20	8,865	-
Current portion of SBP refinance scheme for payment of salaries and wages	19	137,517	-
		<b>3,656,149</b>	<b>4,345,532</b>
<b>TOTAL LIABILITIES</b>		<b>3,855,573</b>	<b>4,567,426</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,664,445</b>	<b>8,371,101</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	26		

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.

  
Altaf Hashwani  
Chairman

  
Arshad Shehzada  
Chief Executive Officer

  
S. Haider Mehdi  
Chief Financial Officer

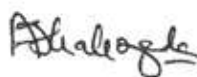
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2021**

	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Sales - net	27	11,715,572	8,722,283
Cost of sales	28	(10,547,821)	(7,995,164)
Gross profit		1,167,751	727,119
Selling and distribution expenses	29	(686,213)	(757,940)
Administration and general expenses	30	(130,192)	(116,419)
		351,346	(147,240)
Other income	31	38,623	166,560
		389,969	19,320
Other operating charges	32	(33,674)	(52,011)
<b>Operating profit / (loss)</b>		<b>356,295</b>	<b>(32,691)</b>
Finance cost	33	(180,605)	(403,128)
<b>Profit / (loss) before taxation</b>		<b>175,690</b>	<b>(435,819)</b>
Taxation - net	34	(175,734)	(123,033)
<b>Loss after taxation</b>		<b>(44)</b>	<b>(558,852)</b>
<b>Other comprehensive income for the year</b>			
<b>Items that will not be reclassified to the unconsolidated statement of profit or loss in subsequent periods</b>			
Remeasurements of defined benefit plan	36.3	7,381	(6,905)
Deferred tax on remeasurements of defined benefit plan		(2,140)	2,002
		5,241	(4,903)
<b>Items may be reclassified to the unconsolidated statement of profit or loss in subsequent periods</b>			
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)
		-	604,320
<b>Total comprehensive income for the year</b>		<b>5,197</b>	<b>40,565</b>
<b>----- (Rupees) -----</b>			
<b>Loss per share (basic and diluted)</b>	35	<b>(0.01)</b>	<b>(71.94)</b>

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer

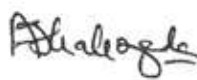
**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2021**

	Issued, subscribed and paid- up share capital	Capital reserves			Revenue reserves		Total
		General capital reserve	Reserve arising on amalgama- tion - net	Revaluation surplus on property, plant and equipment	General revenue reserve	Accumu- lated losses	
----- (Rupees '000) -----							
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	-	-	-	-	-	(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	-	-	-	(526)	-	-	(526)
Surplus on revaluation of land and building - net of tax	-	-	-	604,846	-	-	604,846
	-	-	-	604,320	-	(4,903)	599,417
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	-	-	-	(101,870)	-	101,870	-
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	(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
Loss after taxation for the year ended March 31, 2021	-	-	-	-	-	(44)	(44)
Other comprehensive income for the year:							
Remeasurements of defined benefit plan	-	-	-	-	-	7,381	7,381
Deferred tax on remeasurements of defined benefit plan	-	-	-	-	-	(2,140)	(2,140)
Effect of change in tax rate	-	-	-	-	-	-	-
	-	-	-	-	-	5,241	5,241
Transferred from revaluation surplus on property, plant and equipment - net of tax	-	-	-	(14,632)	-	14,632	-
Balance as at March 31, 2021	77,686	259	25,823	1,081,204	3,329,991	(706,091)	3,808,872

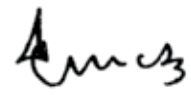
The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer



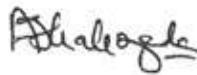
**UNCONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2021**

		2021	2020
		----- (Rupees '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	40	410,124	1,508,733
Financial charges paid		(226,266)	(385,875)
Tax paid		(38,160)	(302,731)
Contribution to gratuity fund paid		(151)	-
Decrease in long-term deposits		441	3,781
(Increase) / decrease in long-term loans		(6,826)	94
<b>Net cash (used in) / generated from operating activities</b>		<b>139,162</b>	<b>824,002</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital expenditure		(75,773)	(58,562)
Proceeds from disposal of operating fixed assets		4,469	275,109
<b>Net cash (used in) / generated from investing activities</b>		<b>(71,304)</b>	<b>216,547</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loan from director		(7,000)	(195,000)
SBP refinance scheme for payment of salaries and wages		275,034	-
Repayment of loan		(41,109)	-
<b>Net cash flows generated from / (used in) financing activities</b>		<b>226,925</b>	<b>(195,000)</b>
<b>Net increase in cash and cash equivalents during the year</b>		<b>294,783</b>	<b>845,549</b>
Cash and cash equivalents at the beginning of the year		(2,205,031)	(3,050,580)
<b>Cash and cash equivalents at the end of the year</b>	41	<b>(1,910,248)</b>	<b>(2,205,031)</b>

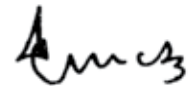
The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer



## **1. THE COMPANY AND ITS OPERATIONS**

- 1.1** Exide Pakistan Limited (the Company) is a limited liability company and is incorporated in Pakistan. The address of its registered office is A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange. The Company is engaged in the manufacturing and sale of batteries, chemicals and acid and in trading of solar energy solutions. Manufacturing facilities for batteries are located at S.I.T.E Karachi while facilities for chemicals and acid are located at S.I.T.E and Bin Qasim Karachi.
- 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;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017.

Where 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 are carried at present value.

### **2.3 New accounting standards / amendments and IFRS interpretations that are effective for the year ended March 31, 2021**

The following standards, amendments and interpretations are effective for the year ended March 31, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

#### **Effective from accounting period beginning on or after:**

- |                                                                                                                                                                                                                                    |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| - Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards                                                                                 | January 01, 2020 |
| - Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business                                                                                                                                   | January 01, 2020 |
| - Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' -Amendments regarding the definition of material                                          | January 01, 2020 |
| - Amendments to IAS 39, IFRS 7 and IFRS 9 – The amendments will affect entities that apply the hedge accounting requirements of IFRS 9 or IAS 39 to hedging relationships directly affected by the interest rate benchmark reform. | January 01, 2020 |

### **New accounting standards / amendments and IFRS interpretations that are not yet effective:**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
- IFRS 14 – Regulatory Deferral Accounts	July 01, 2020
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the unconsolidated 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 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:

- Estimation of provision against doubtful trade debts (notes 4.4.2, 4.7 and 11);
- Provision against battery warranty claims (notes 4.13 and 22.2);
- Provision against slow moving and obsolete stores and spares (notes 4.5 and 9.1);
- Provision against slow moving and obsolete stock-in-trade (notes 4.6 and 10.1);
- Estimation of liability in respect of staff retirement benefits (notes 4.15 and 36);
- Provision for taxation (notes 4.17, 21 and 34);
- Estimation of useful lives and depreciation rates of property, plant and equipment (notes 4.1.1 and 5);
- Revaluation of property, plant and equipment (notes 4.1.1 & 17);
- Impairment of financial and non-financial assets (note 4.4.2 & 4.3);
- Intangible assets (notes 4.2 & 5.2); and
- Contingencies and commitments (note 26).

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented except for the changes as disclosed in notes 4.9 and 4.10 to these unconsolidated financial statements.



## **4.1 Fixed assets**

### **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 capitalised.

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 operating asset. 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.

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

### **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.

## **4.2 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 Impairment of non-financial assets**

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.

## **4.4 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the unconsolidated statement of profit or loss.



#### **4.4.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **4.4.2 Impairment of financial assets**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date.

#### **4.4.3 Financial liabilities**

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

##### **Financial liabilities at FVTPL**

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the statement of profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in unconsolidated statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the unconsolidated statement of profit or loss.

The remaining amount of change in the fair value of liability is recognised in the statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in unconsolidated statement of other comprehensive income are not subsequently reclassified to the statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in the unconsolidated statement of profit or loss.

##### **Financial liabilities measured subsequently at amortised cost**

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### **4.4.4 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.

#### **4.4.5 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.

#### **4.4.6 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 recognised 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.

#### **4.5 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.

#### **4.6 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.

#### **4.7 Trade debts and other receivables**

Trade receivables are recorded initially at transaction price and subsequently measured at amortised cost. This results in their recognition at nominal value less an allowance for any doubtful debts. The allowance for doubtful debts is recognised based on management's expectation of losses without regard to whether an impairment trigger happened or not (an "expected credit loss" model).

#### **4.8 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.

#### **4.9 Borrowings and borrowing costs**

Borrowings are recognised initially at fair value and are subsequently carried at amortised 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.

#### **4.10 SBP refinance scheme for payment of salaries and wages**

Loan obtained under the State Bank of Pakistan (SBP) refinance scheme for payment of salaries and wages to the workers and employees was initially recognised at its fair value, which is the present value of future cash outflows discounted using the prevailing market interest rate of a similar instrument. The differential between the loan proceeds and fair value is recorded as government grant under IAS 20 "Deferred government grant" as disclosed in note 4.10.

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

#### **4.11 Deferred government grant**

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

In subsequent periods, the grant is to be amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.



#### **4.12 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.

#### **4.13 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.

#### **4.14 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.

#### **4.15 Staff retirement benefits**

The Company operates an approved funded gratuity plan covering all eligible employees. A separate fund was 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, 2021 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.

The Company also operates 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.

#### **4.16 Employees' compensated absences**

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

#### **4.17 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 liability method on 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.

#### **4.18 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.

#### 4.19 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.

#### 4.20 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. These segments are identified on the basis of type of products and services offered by the Company. The aggregation criteria is applied for chemicals and solar on the basis that both products are not manufactured by the Company.

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.

#### 4.21 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 Pakistan Rupees, which is the Company's functional and presentation currency.

#### 4.22 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan 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.

#### 4.23 Basic and diluted earnings / (loss) per share

The Company presents basic and diluted earnings / (loss) 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.

#### 4.24 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.

### 5. FIXED ASSETS

Property, plant and equipment  
Intangible asset

Note	2021 ----- (Rupees '000) -----	2020
5.1	1,271,461	1,339,304
5.2	-	775
	<u>1,271,461</u>	<u>1,340,079</u>

## 5.1 Property, plant and equipment

	Note	2021 ----- (Rupees '000) -----	2020
Operating assets	5.1.1	1,271,103	1,338,944
Capital work-in-progress	5.1.2	358	360
		<b>1,271,461</b>	<b>1,339,304</b>

### 5.1.1 Operating assets

2021						
Leasehold land	Buildings on leasehold land	Plant and machinery*	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
(Rupees '000)						
<b>As at April 1, 2020</b>						
Cost / revalued amount	731,328	96,373	1,788,760	23,659	38,132	123,183
Accumulated depreciation	(26,960)	(28,754)	(1,262,426)	(16,505)	(31,683)	(96,164)
Carrying amount	704,368	67,619	526,334	7,154	6,449	27,019
2,801,435						
1,462,492						
1,338,943						
75,775						
-						
Disposals						
Cost	-	-	-	-	(7,594)	(7,594)
Depreciation	-	-	-	-	5,437	5,437
-					(2,157)	(2,157)
Assets held for sale						
Cost	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
-						
Depreciation charge for the year	(14,088)	(8,784)	(104,732)	(1,718)	(2,677)	(11,459)
141,458						
Closing net book value	690,280	61,076	491,100	7,862	6,918	13,867
1,271,103						
<b>As at March 31, 2021</b>						
Cost / revalued amount	731,328	96,614	1,858,258	26,085	41,278	116,053
Accumulated depreciation	(41,048)	(35,538)	(1,367,158)	(18,223)	(34,360)	(102,186)
2,869,616						
1,598,513						
1,271,103						
Depreciation rate % per annum	2	10	10 - 20	10 - 20	10 - 20	10 - 20
2020						
Leasehold land	Buildings on leasehold land	Plant and machinery*	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
(Rupees '000)						
<b>At April 1, 2019</b>						
Cost / revalued amount	794,000	98,762	1,737,505	22,478	36,303	135,417
Accumulated depreciation	(15,880)	(19,538)	(1,153,498)	(14,628)	(29,187)	(93,455)
Net book value	778,120	79,224	584,007	7,850	7,116	41,962
2,824,465						
1,326,186						
1,498,279						
58,918						
608,430						
Disposals						
Cost	(120,000)	(1,912)	-	-	-	(16,450)
Depreciation	4,200	838	-	-	-	11,711
(115,800)		(1,274)				(4,739)
(138,362)						
16,549						
(121,813)						
Assets held for sale						
Cost	(532,000)	(20,015)	-	-	-	-
Depreciation	-	-	-	-	-	-
(532,000)		(20,015)				
(552,015)						
(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						
<b>At March 31, 2020</b>						
Cost / revalued amount	731,328	96,373	1,788,760	23,659	38,132	123,183
Accumulated depreciation	(26,960)	(28,754)	(1,262,426)	(16,505)	(31,683)	(96,164)
2,801,436						
1,462,492						
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 30.388 million (2020: Rs. 22.423 million), Rs. 16.477 million (2020: Rs 8.850 million) and Rs. 13.911 million (2020: 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.



### 5.1.2 Capital work-in-progress

Plant and machinery	358	360
---------------------	-----	-----

### 5.1.3 The details of the Company's immovable fixed assets are as follows:

Location	Usage of immovable property	Total Area (In acres)	Covered Area (In square fit)
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, District 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

### 5.1.4 Revalued land, building and leasehold improvements

The Company has a policy of revaluing the leasehold land and building on leasehold land (classified as operating assets) using the revaluation model. The fair value of the Company's leasehold land, building on leasehold land are determined on periodic, but at least in three years, by an independent professionally qualified valuer.

The carrying values of the leasehold land, buildings on leasehold land would have been Rs. 111.138 million (2020: 113.406 million) and Rs. 37.235 million (2020: 41.105 million) under the cost model.

### 5.1.5 Fair value measurements under revaluation model for property, plant and equipment

The fair value measurements of the Company's leasehold land, buildings on leasehold land as at March 31, 2020 were performed by an independent valuer M/s Shahni & 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. During the year, the Company has not performed revaluation.

### 5.1.6 Fair value hierarchy

Details of the Company's land, buildings and leasehold improvements and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 1	Level 2	Level 3	Fair Value as at March 31, 2021	Level 1	Level 2	Level 3	Fair Value as at March 31, 2020
	(Rupees '000)							
Leasehold land	-	-	-	-	-	-	731,328	731,328
Buildings or leasehold land	-	-	-	-	-	-	96,373	96,373
	-	-	-	-	-	-	827,701	827,701

Included in cost of fixed assets - own use are fully depreciated items which are still in use aggregating to Rs. 849.301 million (2020: Rs. 809.676 million).

### 5.1.7

### 5.2 Intangible asset

	2021				
	Cost		Accumulated amortisation		Amortisation rate % per annum
	As at April 1	Additions / transfers from CWIP	As at March 31	Charge for the year	Net book value as at March 31
	(Rupees '000)				
Software	31,649	-	31,649	775	31,649
	31,649	-	31,649	775	31,649

	2020				
	Cost		Accumulated amortisation		Amortisation rate % per annum
	As at April 1	Additions / transfers from CWIP	As at March 31	Charge for the year	Net book value as at March 31
	(Rupees '000)				
Software	31,649	-	31,649	8,106	30,874
	31,649	-	31,649	8,106	30,874



- 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	
		2021	2020	2021	2020
		----- (Rupees '000) -----		----- (Rupees '000) -----	
Cost of sales	28.	736	7,701	128,196	145,212
Selling and distribution expenses	29.	16	162	10,003	3,057
Administration and general expenses	30.	23	243	3,259	4,586
		775	8,106	141,458	152,855

## 6. LONG-TERM INVESTMENT

### Investment in related party - at cost

#### Subsidiary company - unquoted

22,350 (2020: 22,350) ordinary shares of Rs. 10 each held in Chloride Pakistan (Private) Limited, a private limited company incorporated in Pakistan

Percentage holding	2021	2020
	----- (Rupees '000) -----	
100%	-	224

### 6.1 Provision against long-term investment

Opening balance		-	-
Provision made during the year	32	224	-
Closing balance		224	-

- 6.2 Chloride Pakistan (Private) Limited (CPL) has not yet commenced production. The auditors of CPL have included an emphasis of matter paragraph in their report highlighting that the financial statements for the year ended March 31, 2021 have not been prepared on a going concern basis and consequently all the assets appearing in the financial statements have been measured at their realisable values and the liabilities are reported at amounts not less than those at which these are expected to be settled. During the year Company has provided the whole amount of subsidiary as impairment as the losses exceeds the breakup value.

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

## 7. LONG-TERM LOANS

### Considered good - unsecured

Due from:

	Note	2021	2020
		----- (Rupees '000) -----	
Executives - related party	7.1, 7.2 & 7.3	1,890	1,167
Employees	7.1	13,436	551
		15,326	1,718
Less: current portion of long-term loan	12	(8,009)	(1,227)
		7,317	491

- 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.

		2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
<b>7.2</b>	<b>Reconciliation of carrying amount of loans due from executives</b>		
	Opening balance	1,167	539
	Disbursements during the year	1,989	2,602
	Repayments during the year	(1,266)	(1,974)
	Closing balance	1,890	1,167
<b>7.3</b>	The maximum aggregate amount due from executives at the end of any month during the year was Rs 1.89 million (2020: Rs 2.088 million).		
		2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
<b>8.</b>	<b>LONG-TERM DEPOSITS</b>		
	Utilities	25,142	19,708
	Others	17,450	23,325
		42,592	43,033
	Less: provision against long-term deposits	(553)	(553)
		42,039	42,480
<b>8.1</b>	<b>Provision against long-term deposits</b>		
	Opening balance	553	-
	Impact on adoption of IFRS 9	-	553
	Provision made during the year	-	-
	Closing balance	553	553
<b>9.</b>	<b>STORES AND SPARES</b>		
	Stores	3,997	15,089
	Spares (including in transit - Rs. 8.35 million (2020: Rs. Nil))	121,337	114,015
		125,334	129,104
	Less: provision against slow moving NRV and obsolete stores and spares	(19,169)	(16,783)
		106,165	112,321
<b>9.1</b>	<b>Provision against slow moving and obsolete stores and spares</b>		
	Opening balance	16,783	13,690
	Provision made during the year	2,386	3,093
	Closing balance	19,169	16,783
<b>10.</b>	<b>STOCK-IN-TRADE</b>		
	Raw and packing materials and components (including goods-in-transit of Rs 446.634 million (2020: Rs 151.548 million))	1,084,598	1,031,491
	Work-in-process	1,103,022	321,260
	Finished goods (including in transit of Rs. Nil (2020: Rs 27.328 million))	596,022	562,587
		2,783,642	1,915,338
	Less: provision against slow moving, NRV and obsolete stock-in-trade	(35,068)	(34,262)
		2,748,574	1,881,076

		2021	2020
	Note	----- (Rupees '000) -----	
<b>10.1 Provision against slow moving and obsolete stock-in-trade</b>			
Opening balance		34,262	33,307
Provision made during the year	32	806	955
Closing balance		35,068	34,262

- 10.2** Raw materials and components amounting to Rs. 29.67 million (2020: Rs. 29.98 million), Rs. 0.566 million (2020: Rs. 0.244 million), Nil (2020: Rs. 0.025 million) and Rs. 4.618 million (2020: nil) were held by Precision Polymers (Private) Limited, Wakil Enterprises, Nobel Enterprises and Areeba Enterprises respectively, who under an arrangement with the Company, manufacture plastic containers, lids and vent plugs for the Company.

		2021	2020
	Note	----- (Rupees '000) -----	
<b>11. TRADE DEBTS (unsecured)</b>			
Considered			
- good	11.1	2,333,976	3,155,002
- doubtful		83,749	76,169
		2,417,725	3,231,171
Less: provision against doubtful trade debts	11.2	(83,749)	(76,169)
		2,333,976	3,155,002

**11.1 Aging of unsecured trade debts is as follows:**

Less than 180 days	2,096,766	2,830,052
181 days and above	237,210	324,950
	2,333,976	3,155,002

**11.2 Provision against doubtful trade debts**

Opening balance	76,169	52,062
Impact on adoption of IFRS 9	-	17,207
Provision made during the year	7,580	6,900
Closing balance	83,749	76,169

**12. LOANS AND ADVANCES**

**Considered good - unsecured**

Current portion of long term loans due from employees and executives	7	8,009	1,227
Advances to:			
- employees	12.1	-	987
- suppliers		65,636	28,806
		73,645	31,020

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



	Note	2021 ----- (Rupees '000) -----	2020
<b>13. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Prepayments		6,639	15,992
Insurance claims receivable		3,868	-
Receivable from defined benefit plans - related party	13.1	20,115	17,037
Container deposits		14,305	2,105
Others		120	1,248
		<b>45,047</b>	<b>36,382</b>

**13.1 Receivable from defined benefit plans**

	2021			2020		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees '000)					
Balance at April 1	(14,382)	(2,655)	(17,037)	(20,783)	(3,903)	(24,686)
Charge for the year	4,533	(79)	4,454	1,652	(449)	1,203
Other comprehensive income	(7,091)	(290)	(7,381)	5,208	1,697	6,905
Contributions paid	(151)	-	(151)	(459)	-	(459)
Balance at March 31	<b>(17,091)</b>	<b>(3,024)</b>	<b>(20,115)</b>	<b>(14,382)</b>	<b>(2,655)</b>	<b>(17,037)</b>

**13.1.1** The details of defined benefit plan and the related disclosures are given in note 36 to these unconsolidated financial statements.

**13.1.2** Automotive Battery Company Limited (ABCL) was merged with Exide Pakistan Limited (Exide) in accordance with the scheme of amalgamation approved by the 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.

	2021 ----- (Rupees '000) -----	2020
<b>14. CASH AND BANK BALANCES</b>		
Balances with banks - current accounts	94,150	139,887
Cash in hand	76	366
	<b>94,226</b>	<b>140,253</b>

**15. ASSETS CLASSIFIED AS HELD FOR SALE**

Land	-	532,000
Building	-	20,015
	<b>-</b>	<b>552,015</b>

**15.1** The Company has completed this transaction during the year by transferring the assets classified as held for sale to M/s Hassanali Sons at an agreed price particulars of which are as follows:

	Fair value less cost to sell	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposals / settlement	Particulars of buyers / purchasers
	(Rupees '000)						
Plot # D7	532,000	-	532,000	532,000	-	As per company policy	M/s Hassanali Sons
Building	20,015	-	20,015	20,015	-	As per company policy	M/s Hassanali Sons
	<b>552,015</b>	<b>-</b>	<b>552,015</b>	<b>552,015</b>	<b>-</b>		

## 16. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
----- (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 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
<b>7,768,618</b>	<b>7,768,618</b>		<b>77,686</b>	<b>77,686</b>
			2021	2020
			----- (Number of shares) -----	

### 16.1 Shares held by the related parties of the Company

#### Name of the shareholders

Arif Hashwani	4,300	4,300
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
Ms. Sana Arif Hashwani	1,604,553	1,604,553
Ms. Zaver Hashwani	1,595,687	1,595,687
Ayub Hameed	100	100
Arshad Shahzada	13	13
Quaid Johar Udaipurwala	500	-

## 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	2021	2020
----- (Rupees '000) -----		
Surplus on revaluation of operating fixed assets as at April 1	1,103,031	613,654
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	(15,618)	(16,632)
Surplus on revaluation of operating fixed assets as at March 31	<b>1,087,413</b>	<b>1,103,031</b>
Less: related deferred tax liability:		
- at beginning of the year	7,195	4,522
- on surplus arising on revaluation during the year	-	3,584
- on adjustment due to change in tax rate	-	526
- on assets disposed off during the year	-	(551)
- on incremental depreciation charged during the year	(986)	(886)
	<b>6,209</b>	<b>7,195</b>
	<b>1,081,204</b>	<b>1,095,836</b>



	Note	2021 ------(Rupees '000)-----	2020
<b>18. LONG TERM LOAN</b>			
With a banking company	18.1 & 18.2	193,581	221,894
<b>18.1 Movement in term loan</b>			
Opening balance		221,894	-
Loan obtained during the year		-	221,894
Repaid during the year		(28,313)	-
Closing balance		193,581	221,894
Current portion		113,250	-
Non-current portion		80,331	-
		193,581	-

- 18.2** During last 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 re-payable in 24 monthly instalments with a grace period of four months starting from July 31, 2020, which were further extended for the period of 6 months till December 31, 2020 and carries markup rate of 8.46%.

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.

	Note	2021 ------(Rupees '000)-----	2020
<b>19. SBP REFINANCE SCHEME FOR PAYMENT OF SALARIES AND WAGES</b>			
SBP refinance scheme for payment of salaries and wages	19.1	250,804	-
<b>19.1 Movement in SBP refinance scheme for payment of salaries and wages</b>			
Opening balance		-	-
Recognised during the year		275,034	-
		275,034	-
Impact of deferred government grant	20.1	(20,599)	-
		254,435	-
Repaid during the year		(12,796)	-
Interest accreditation		9,165	-
Total borrowings		250,804	-
Current portion		137,517	-
Non-current portion		113,287	-
		250,804	-

The payment of principal component of these facilities, payable within next 12 months, has been deferred for 1 year as per the directions of State Bank of Pakistan via its Circular Letter No. 13 of 2020. However, the mark-up on these facilities is not deferred and payable as soon as its due to be paid. Consequently, the maturity date of these facilities have also been extended by 1 year.

	Note	2021 ----- (Rupees '000) -----	2020
<b>20. DEFERRED GOVERNMENT GRANT</b>			
Deferred grant		14,671	-
<b>20.1 Movement for the year</b>			
Opening balance		-	-
Deferred grant arises during the year		20,599	-
Amortisation for the year	31	(5,928)	-
Total deferred government grant		14,671	-
Current portion		8,865	-
Non-current portion		5,806	-
		14,671	-

Deferred grant relates to the difference between the fair value and actual proceeds of salary loan obtained under SBP's Refinance scheme for payment of salaries during the current year. It will be amortised over the period of next two and a half year with an amount equal to the difference between the finance cost charged to the unconsolidated statement of profit or loss account and the interest paid at SBP's defined rate as per the scheme. In subsequent periods, the grant will be amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.

	Note	2021 ----- (Rupees '000) -----	2020
<b>21. DEFERRED TAXATION - NET</b>			
<b>Deferred tax liability arising on taxable temporary differences due to:</b>			
Accelerated tax depreciation		36,230	38,271
Revaluation surplus on property, plant and equipment	17	-	7,195
Provision for gratuity		5,833	4,941
		42,063	50,407
<b>Deferred tax assets arising on deductible temporary differences due to:</b>			
Provision against slow moving and obsolete stock-in-trade		(6,232)	(9,936)
Provision against slow moving and obsolete stores and spares		(3,407)	(4,867)
Provision against doubtful trade debts		(14,884)	(22,089)
Provision against battery warranty claims		(17,540)	(13,515)
		(42,063)	(50,407)
		-	-

<b>22. TRADE AND OTHER PAYABLES</b>			
Trade creditors		687,330	656,185
Bills payable		264,686	130,181
Accrued liabilities	22.1	104,500	169,600
Advances from customers		-	100,918
Provision for Workers' Welfare Fund		35,637	32,051
Provision for Workers' Profit Participation Fund	22.2	6,121	(3,315)
Provision against battery warranty claims	22.3	98,691	95,432
Payable to provident funds		1,786	2,003
Royalty payable		8,369	7,836
Sales tax payable		26,427	31,906
Insurance claims		-	525
Advance payment received against assets classified as held for sale	15.1	-	552,015
Other payables	22.4	7,230	6,237
		1,240,777	1,781,574

**22.1** This includes an amount of Rs 5.121 million (2020: Rs 4.906 million) in respect of employees compensated absences.

	Note	2021 ----- (Rupees '000) -----	2020
<b>22.2 Workers' Profits Participation Fund</b>			
Balance at April 1		(3,315)	(3,315)
Allocation for the year	32	9,436	-
		6,121	(3,315)
Less: amount paid during the year		-	-
Balance at March 31		6,121	(3,315)
<b>22.3 Provision against battery warranty claims</b>			
Balance at April 1		95,432	133,411
Charge for the year	29	215,140	244,693
Claims paid during the year		(211,881)	(282,672)
Balance at March 31		98,691	95,432

**22.4** This includes an amount of Nil (2020: Rs. 0.006 million) payable to the subsidiary company, Chloride Pakistan (Private) Limited (CPL).

	Note	2021 ----- (Rupees '000) -----	2020
<b>23. ACCRUED PROFIT / MARK-UP</b>			
<b>Profit accrued on:</b>			
Running Musharakah		8,988	61,029
Tijarah		13,813	8,812
Istisna		11,938	-
		34,739	69,841
<b>Markup accrued on:</b>			
Running finance		7,104	29,095
		41,843	98,936

**24. LOAN FROM DIRECTOR - Unsecured**

Loan from director	24.1 & 24.2	103,550	110,550
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**24.1** Loan from director is unsecured, interest free and payable on director's demand.

**24.2 Movement of loan from director**

	As at April 1	Receipts	Repayment	As at March 31
	----- (Rupees '000) -----			
Loan from director	2021 110,550	-	(7,000)	103,550
	2020 305,550	90,000	(285,000)	110,550



	Note	2021 ----- (Rupees '000) -----	2020
<b>25. SHORT-TERM BORROWINGS</b>			
<b>From banking companies - secured</b>	25.1		
Running Musharakah		195,000	965,952
Tijarah		631,403	500,000
Istisna		500,000	-
		1,326,403	1,465,952
Running finance		678,071	879,332
		2,004,474	2,345,284

- 25.1** These facilities, representing Running Musharakah, Istisna and Running Finance facilities, are available from certain commercial banks up to Rs. 2,598 million (2020: Rs. 3,610 million) and carry profit / mark-up rates ranging from 7.96% to 9.96% (2020: 11.14% to 15.73%) per annum. At March 31, 2021, unutilised facilities available to the Company aggregated to Rs. 499 million (2020: Rs. 769 million). These 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.

## 26. CONTINGENCIES AND COMMITMENTS

### 26.1 Contingencies

- 26.1.1** 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 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.

- 26.1.2** 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 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 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 Supreme Court of Pakistan against interim injunction order passed by a 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 statements.

- 26.1.3** 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 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 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.

- 26.1.4** 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 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 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 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.

- 26.1.5** 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 High Court of Sindh served a notice to the Company on May 24, 2019 by giving reference to the order of the 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 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.

On March 16, 2021 the hearing was held and judgement of the case was reserved by High Court of Sindh, however, the judgement is yet to be released. The Company based on the advice of its legal counsel believes that the matter has been 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.

	2021	2020
	----- (Rupees '000) -----	
<b>26.2 Commitments</b>		
<b>26.2.1 Commitments in respect of:</b>		
Capital expenditure contracted for but not incurred	4,636	3,153
Letters of credit	886,542	323,584
Letters of guarantee	114,789	193,430



## 27. SALES - NET

	Batteries		Chemicals and solar		Total	
	2021	2020	2021	2020	2021	2020
(Rupees '000)						
Sales	14,606,205	10,702,862	645,661	598,656	15,251,866	11,301,518
Less:						
Sales tax	2,087,461	1,578,892	55,923	62,929	2,143,384	1,641,821
Discounts to distributors and customers	1,392,910	937,414	-	-	1,392,910	937,414
	3,480,371	2,516,306	55,923	62,929	3,536,294	2,579,235
Net sales	11,125,834	8,186,556	589,738	535,727	11,715,572	8,722,283

## 28. COST OF SALES

	Batteries		Chemicals and solar		Total	
	2021	2020	2021	2020	2021	2020
(Rupees '000)						
Opening stock	1,010,621	988,004	20,870	55,929	1,031,491	1,043,933
Purchases	9,465,938	6,106,402	488,802	535,111	9,954,740	6,641,513
	10,476,559	7,094,406	509,672	591,040	10,986,231	7,685,446
Closing stock	(998,354)	(1,010,621)	(86,244)	(20,870)	(1,084,598)	(1,031,491)
Raw and packing materials consumed	9,478,205	6,083,785	423,428	570,170	9,901,633	6,653,955
Salaries, wages and benefits	506,401	295,142	40,610	34,613	547,011	329,755
Spares consumed	123,489	44,341	14,705	-	138,194	44,341
Rent, rates and taxes	1,265	2,632	132	1,280	1,397	3,912
Fuel, power and water	516,110	338,852	63,874	49,119	579,984	387,972
Insurance	15,366	26,301	1,090	1,793	16,456	28,094
Repairs and maintenance	9,107	50,994	4,692	8,996	13,799	59,990
Depreciation	125,573	139,143	2,623	6,069	128,196	145,212
Amortisation	705	7,379	31	322	736	7,701
General expenses	31,903	46,180	3,709	6,091	35,612	52,271
Opening stock of work-in-process	319,903	438,445	1,357	2,432	321,260	440,877
Closing stock of work-in-process	(1,103,022)	(319,903)	-	(1,357)	(1,103,022)	(321,260)
Cost of goods manufactured	10,025,005	7,153,291	556,251	679,529	10,581,256	7,832,820
Opening stock of finished goods	362,778	714,393	199,809	10,538	562,587	724,931
	10,387,783	7,867,684	756,060	690,067	11,143,843	8,557,751
Closing stock of finished goods	(363,519)	(362,778)	(232,503)	(199,809)	(596,022)	(562,587)
	10,024,264	7,504,906	523,557	490,258	10,547,821	7,995,164

**28.1** Salaries, wages and benefits include Rs 10.124 million (2020: Rs 10.318 million) in respect of staff retirement benefits.

**28.2** The Company has a rent free tenancy agreement with two related parties therefore, no rent has been charged during this year.

## 29. SELLING AND DISTRIBUTION EXPENSES

		Batteries		Chemicals and solar		Total	
		2021	2020	2021	2020	2021	2020
Note		(Rupees '000)					
Salaries, wages and benefits	29.1	109,953	98,825	27,234	16,578	137,187	115,403
Repairs and maintenance		2,321	702	22	98	2,343	800
Royalty	29.2	8,369	7,836	-	-	8,369	7,836
Advertising and promotion		45,392	84,340	451	470	45,843	84,810
Rent, rates and taxes		24,158	22,722	7,867	3,378	32,025	26,100
Insurance		12,134	20,642	30	22	12,164	20,664
Printing and stationery		653	765	12	-	665	765
Carriage and forwarding		182,821	195,334	7,154	4,506	189,975	199,840
Battery warranty claims	22.3	215,140	244,693	-	-	215,140	244,693
Travelling, conveyance and entertainment		16,369	21,763	1,848	2,726	18,217	24,489
Depreciation	5.3	9,928	2,929	75	128	10,003	3,057
Amortisation	5.3	15	155	1	7	16	162
Postage, telegram, telephone and telex		2,155	2,095	296	109	2,451	2,204
Miscellaneous expenses		11,544	25,286	271	1,831	11,815	27,117
		640,952	728,089	45,261	29,851	686,213	757,940

**29.1** Salaries, wages and benefits include Rs 1.305 million (2020: Rs 1.330 million) in respect of staff retirement benefits.

**29.2** 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.

## 30. ADMINISTRATION AND GENERAL EXPENSES

	Note	Batteries		Chemicals and solar		Total	
		2021	2020	2021	2020	2021	2020
----- (Rupees '000) -----							
Salaries, wages and benefits	30.1	91,191	78,154	2,338	2,312	93,529	80,466
Repairs and maintenance		3,719	5,926	95	147	3,814	6,073
Legal and professional charges		7,621	7,177	195	257	7,816	7,434
Rent, rates and taxes		115	77	3	2	118	79
Insurance		1,123	944	311	23	1,434	967
Depreciation	5.3	3,178	4,394	81	192	3,259	4,586
Amortisation	5.3	22	233	1	10	23	243
Printing and stationery		1,252	1,118	32	27	1,284	1,145
Travelling, conveyance and entertainment		7,128	6,249	183	153	7,311	6,402
Communication and postage		1,968	2,024	50	50	2,018	2,074
General expenses		9,346	6,783	240	167	9,586	6,950
		126,663	113,078	3,529	3,340	130,192	116,419

**30.1** Salaries, wages and benefits include Rs 1.209 million (2020: Rs 1.232 million) in respect of staff retirement benefits.



		2021	2020
	Note	----- (Rupees '000) -----	
<b>31. OTHER INCOME</b>			
Profit on margin deposits		3,306	3,714
Gain on disposal of property, plant and equipment	5.1.3	2,312	153,296
Scrap sales		4,375	3,144
Gain on modification of terms of financial liability		-	4,606
Exchange gain		22,702	-
Other		-	1,800
Amortisation of deferred government grant	20.1	5,928	-
		<b>38,623</b>	<b>166,560</b>
<b>32. OTHER OPERATING CHARGES</b>			
Auditors' remuneration	32.1	3,134	6,180
Workers' Profits Participation Fund	22.2	9,436	-
Workers' Welfare Fund		3,586	-
Donations	32.2	678	645
Provision against doubtful trade debts	11.2	7,580	6,900
Provision against slow moving and obsolete stores and spares	9.1	2,386	3,093
Provision against slow moving and obsolete stock-in-trade	10.1	806	955
Bank charges		5,844	9,305
Exchange loss		-	24,933
Impairment of long-term investments in Chloride Pakistan	6.1	224	-
		<b>33,674</b>	<b>52,011</b>
<b>32.1 Auditors' remuneration</b>			
Audit fee		1,819	2,342
Tax advisory services		-	1,668
Fee for the review of half yearly financial statements		398	506
Special reports and certifications		500	894
Out of pocket expenses		222	540
Sindh sales tax		195	230
		<b>3,134</b>	<b>6,180</b>
<b>32.2</b>	During the year the Company has made Donations of Rs. 0.678 million to the Kidney Centre Post Graduate Training Institute and no donation were not made to any donee in which the Company or a director or his spouse had any interest.		
		2021	2020
		----- (Rupees '000) -----	
<b>33. FINANCE COST</b>			
Profit on long-term loan		9,150	-
Profit on short-term running musharakah		44,315	251,203
Profit on short-term Tijarah		47,798	8,812
Profit on short-term istisna		12,105	11,095
Mark-up on short-term running finance		67,237	132,018
		<b>180,605</b>	<b>403,128</b>
<b>34. TAXATION - NET</b>			
Current - for the year		172,608	129,182
- for prior years		-	(4,592)
Deferred - net		3,126	(1,557)
		<b>175,734</b>	<b>123,033</b>



**34.1** Tax charge for the year ended March 31, 2021 represents minimum tax and FTR tax payable under the Income Tax Ordinance, 2001, and for this reason, relationship between tax expense and accounting profit has not been presented.

### **35. EARNINGS PER SHARE (EPS)**

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:

	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Loss after taxation attributable to ordinary shareholders	<b>(44)</b>	(558,852)
	---- (Number of shares) ----	
Weighted average number of ordinary shares outstanding during the year	<b>7,768,618</b>	7,768,618
	----- (Rupees) -----	
Loss per share (EPS)	<b>(0.01)</b>	(71.94)

**35.1** A diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2021 and 2020 which would have any effect on the loss per share if the option to convert is exercised.

### **36. DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS**

#### **36.1 Defined benefit plan - Staff retirement gratuity plan**

As mentioned in note 4.14, 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, 2021 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.

	2021		2020	
	Exide	ABCL	Exide	ABCL
i) Valuation discount rate	10.25%	10.25%	9.50%	9.50%
ii) Salary increase rate	10.25%	10.25%	9.50%	9.50%
iii) Expected rate of return on plan assets	10.25%	10.25%	9.50%	9.50%
iv) 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.

**36.2 The amount recognised in the unconsolidated statement of financial position is determined as follows:**

	Note	2021			2020		
		Exide	ABCL	Total	Exide	ABCL	Total
		(Rupees '000)					
Present value of defined benefit obligation	36.3	37,201	2,261	39,462	37,223	3,274	40,497
Less: fair value of plan assets	36.3	(54,292)	(5,285)	(59,577)	(51,605)	(5,929)	(57,534)
		(17,091)	(3,024)	(20,115)	(14,382)	(2,655)	(17,037)

**36.3 Plan assets comprise of the following:**

	2021			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt instruments:				
Pakistan Investment Bonds	39,661	73%	2,266	43%
Term Finance Certificate	2,111	4%	-	-
Mutual funds	11,584	21%	2,321	44%
Equity instruments	270	1%	239	5%
Cash at bank	667	1%	459	9%
	54,293	100%	5,285	100%

	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%

	2021						
	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 in '000)						
As at April 1	37,223	(51,605)	(14,382)	3,274	(5,929)	(2,655)	(17,037)
Current service cost	5,956	-	5,956	173	-	173	6,129
Interest expense / (income)	3,219	(4,642)	(1,423)	242	(494)	(252)	(1,675)
Past service cost	-	-	-	-	-	-	-
	46,398	(56,247)	(9,849)	3,689	(6,423)	(2,734)	(12,583)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	(3,572)	(3,519)	(7,091)	34	(324)	(290)	(7,381)
	(3,572)	(3,519)	(7,091)	34	(324)	(290)	(7,381)
Contribution	-	(151)	(151)	-	-	-	(151)
Benefit payments	(5,625)	5,625	-	(1,462)	1,462	-	-
As at March 31	37,201	(54,292)	(17,091)	2,261	(5,285)	(3,024)	(20,115)



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 in '000) -----						
36,232	(57,015)	(20,783)	3,170	(7,073)	(3,903)	(24,686)
4,808	-	4,808	69	-	69	4,877
4,110	(7,266)	(3,156)	373	(891)	(518)	(3,674)
-	-	-	-	-	-	-
45,150	(64,281)	(19,131)	3,612	(7,964)	(4,352)	(23,483)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(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
-	(459)	(459)	-	-	-	(459)
(4,691)	4,691	-	(703)	703	-	-
37,223	(51,605)	(14,382)	3,274	(5,929)	(2,655)	(17,037)

**36.4** Based on the un-audited financial information of the provident and gratuity funds ('the Funds') as at March 31, 2021, 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.

	2021			2020		
	Exide	ABCL	Total	Exide	ABCL	Total
	(Rupees '000)					
Current service cost	5,956	173	6,129	4,808	69	4,877
Interest expense	(1,423)	(252)	(1,675)	(3,156)	(518)	(3,674)
Past service cost	-	-	-	-	-	-
	4,533	(79)	4,454	1,652	(449)	1,203

**36.5 Charge for defined benefit plan**

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

	2021					
	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			in percentage		
	(Rupees in '000)			(Rupees in '000)		
Discount rate	1.0%	(2,925)	2,239	1.0%	(122)	138
Salary increase rate	1.0%	2,779	(2,050)	1.0%	67	(58)
Withdrawal rate	10.0%	506	543	10.0%	4	(3)

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

36,695 36,658 2,265 2,257



	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 in '000) -----			in percentage ----- (Rupees in '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		
	Exide -----			ABCL -----		
	(Rupees '000) -----			(Rupees '000) -----		
Life expectancy / withdrawal rate		37,238	37,208	3,278	3,270	

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.

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

As at March 31, 2021

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	(Rupees '000)				
Exide Pakistan Limited	4,373	8,899	7,325	86,037	106,634
Automotive Batteries Company Limited	538	49	727	3,825	5,139
Total	4,911	8,948	8,052	89,862	111,773
	2021	2020	2019	2018	2017
	(Rupees '000)				

**36.8** Historical information

Defined benefit obligation - Exide	37,201	37,223	36,232	34,956	33,668
Defined benefit obligation - ABCL	2,261	3,274	3,170	13,109	15,508
	39,462	40,497	39,402	48,065	49,176
Fair value of plan assets - Exide	(54,292)	(51,605)	(57,015)	(59,230)	(62,492)
Fair value of plan assets - ABCL	(5,285)	(5,929)	(7,073)	(15,739)	(18,042)
	(59,577)	(57,534)	(64,088)	(74,969)	(80,534)
Surplus	(20,115)	(17,037)	(24,686)	(26,904)	(31,358)
Remeasurement (gain) / loss on obligation - Exide	(3,572)	(3,236)	(2,175)	1,176	11,479
Remeasurement (gain) / loss on obligation - ABCL	34	365	(595)	(2,006)	2,211
	(3,538)	(2,871)	(2,770)	(830)	13,690
Loss / (Gain) on plan assets - Exide	(3,519)	8,444	3,979	2,434	(4,180)
Loss / (Gain) on plan assets - ABCL	(324)	1,332	994	1,339	1,924
	(3,843)	9,776	4,973	3,773	(2,256)

**36.9** 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. 3.651 million and decrease by Rs. 0.182 million for Exide and ABCL respectively as per the actuarial valuation report of the Company as of March 31, 2021.

**36.10** The disclosures made in notes 36.1 to 36.9 are based on the information included in the actuarial valuation report of the Company as of March 31, 2021.

**36.11 Defined contribution plan - provident fund**

An amount of Rs 9.229 million (2020: Rs 9.340 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

**37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief Executive		Directors		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
(Rupees '000)								
<b>Short-term employee benefits</b>								
Managerial remuneration	4,024	3,959	8,934	8,588	36,747	24,267	49,709	36,814
Bonus	-	-	-	-	1,332	2,050	1,332	2,050
Leave pay	-	26	234	236	671	595	909	857
Housing, utilities and reimbursable expenses	13	-	2,601	2,478	10,447	11,802	13,061	14,280
Medical expenses	402	396	894	845	3,660	2,430	4,956	3,671
<b>Retirement benefits</b>								
Defined benefit plan	-	-	120	114	341	598	461	712
Defined contribution plan	-	-	284	274	823	1,063	1,111	1,357
	4,439	4,381	13,076	12,535	54,021	42,825	71,839	59,741
<b>Number of persons</b>	1	1	4	2	12	12	17	15

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

**37.2 Remuneration to other directors**

Aggregate amount charged in the unconsolidated financial statements for fee to directors was Rs 0.25 million (2020: Rs 0.14 million).

**38. 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 elsewhere are as follows:

	Subsidiary company		Key management personnel		Other related parties	
	2021	2020	2021	2020	2021	2020
(Rupees '000)						
<b>Transactions with key management personnel:</b>						
- Sales	-	-	3,254	-	-	-
- Salaries	-	-	17,110	20,291	-	-
- Receipts of loan	-	-	-	90,000	-	-
- Repayment of loan	-	-	7,000	285,000	-	-
- Assets classified as held for sale	-	-	-	-	552,015	-
- Defined benefit plan - post employment benefits	-	-	120	114	-	-
- Defined contribution plan	-	-	288	274	-	-
Expenses charged	7	6	-	-	-	-
Expenses charged in respect of staff contribution plan	-	-	-	-	9,229	9,340
Expenses charged in respect of staff defined benefit plan	-	-	-	-	4,454	1,203



- 38.1** 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 control	N/A
3	Arif Hashwani	Directorship	N/A
4	Hassanali Sons	Common control	N/A

- 38.2** 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 37 to these unconsolidated financial statements.

- 38.3** 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.

- 38.4** Particulars of transactions with staff retirement benefit plans are disclosed in note 36. to these unconsolidated financial statements.

- 38.5** 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.

## 39. 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 (2020: 33,000 MT) per annum whereas actual production during the year was 24,765 MT (2020: 26,782 MT).

## 40. CASH GENERATED FROM OPERATIONS

	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Profit / (loss) before taxation		175,690	(435,819)
<b>Adjustments:</b>			
Depreciation	5.3	141,458	152,855
Amortisation	5.3	775	8,106
Gain on disposal of property, plant and equipment	31	(2,312)	(153,296)
Provision against slow moving and obsolete stores and spares	32	2,386	3,093
Provision against doubtful trade debts - net	32	7,580	6,900
Provision against slow moving and obsolete stock-in-trade	32	806	955
Charge of gratuity provision	36.5	4,454	-
Impairment of long-term investments in Chloride Pakistan	6.1	224	-
Provision for Workers Welfare Fund	32	3,586	-
Amortisation of government grant	31	(5,928)	-
Finance cost	33	180,605	403,128
Working capital changes	40.1	(99,200)	1,522,811
		<b>410,124</b>	<b>1,508,733</b>



	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
<b>40.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores and spares		3,770	573
Stock-in-trade		(868,304)	294,402
Trade debts		813,446	386,747
Loans and advances		(42,625)	(4,540)
Trade deposits, prepayments and other receivables		(9,804)	21,270
		(103,517)	698,452
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		4,317	824,359
		(99,200)	1,522,811

#### 41. 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	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Cash and bank balances	14	94,226	140,253
Short-term borrowings	25	(2,004,474)	(2,345,284)
		(1,910,248)	(2,205,031)

#### 41.1 Reconciliation of liabilities arising from financing activities

	As at March 31, 2020	Non-cash changes	Cash flows	As at March 31, 2021
	----- (Rupees '000) -----			
Long term loan	221,894	-	(28,313)	193,581
SBP Refinance Scheme for salaries and wages	-	-	262,238	262,238
Loan from director	110,550	-	(7,000)	103,550
Total liabilities from financing activities	332,444	-	226,925	559,369

## 42. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

		Batteries		Chemicals and solar		Company	
		2021	2020	2021	2020	2021	2020
Note		(Rupees '000)					
Net Sales	27	11,125,834	8,186,556	589,738	535,727	11,715,572	8,722,283
Cost of sales	28	(10,024,264)	(7,504,906)	(523,557)	(490,258)	(10,547,821)	(7,995,164)
Gross profit		1,101,570	681,650	66,181	45,469	1,167,751	727,119
Selling and distribution expenses	29	(640,952)	(728,089)	(45,261)	(29,851)	(686,213)	(757,940)
Administration and general expenses	30	(126,663)	(113,078)	(3,529)	(3,340)	(130,192)	(116,418)
Other income	31	4,375	3,144	-	-	4,375	3,144
Unallocated other income	42.7	-	-	-	-	34,248	163,416
						38,623	166,560
Unallocated other operating charges	42.7 & 32.	-	-	-	-	(33,674)	(52,011)
Operating profit / (loss)		338,330	(156,373)	17,391	12,278	356,295	(32,690)
42.1 Segment assets		6,177,762	6,127,211	327,461	400,964	6,505,223	6,528,175
42.2 Unallocated assets	42.7					1,159,222	1,842,926
						7,664,445	8,371,101
42.3 Segment liabilities		358,422	320,173	13,324	14,194	371,746	334,367
42.4 Unallocated liabilities	42.7					3,218,352	4,233,059
						3,590,098	4,567,426
42.5 Capital expenditure		71,959	54,965	3,814	3,597	75,773	58,562
42.6 Depreciation expense		134,337	143,467	7,121	9,388	141,458	152,855
42.7	Certain liabilities, assets, other income and other operating charges of the Company cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.						

## 43. FINANCIAL INSTRUMENTS BY CATEGORY

	2021	2020
43.1 Financial assets and financial liabilities	(Rupees '000)	
<b>Financial assets</b>		
<b>At amortised cost</b>		
Loans and advances	80,962	31,511
Long-term deposits	42,039	42,480
Trade debts	2,333,976	3,155,002
Trade deposits and other receivables	38,408	20,390
Cash and bank balances	94,226	140,255
	2,589,611	3,389,638

**Financial liabilities****Financial liabilities at amortised cost**

	2021	2020
	----- (Rupees '000) -----	
Trade and other payables	1,080,022	1,067,999
Unclaimed dividend	5,873	5,873
Accrued mark-up	41,843	98,936
Long term loan	193,581	221,894
SBP Refinance Scheme	262,238	-
Loan from Director	103,550	110,550
Short-term borrowings	2,004,474	2,345,284
	<b>3,691,581</b>	<b>3,850,536</b>

**44. 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.

**44.1 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. 2,417.725 million (2020: Rs. 3,379.636 million).

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 (2020: 15) customers which constitute 42% (2020: 34%) of the Company's trade debts.

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

	2021	2020
	----- (Rupees '000) -----	
<b>Due from customers</b>		
Direct customers	192,827	142,158
Distributors	2,224,898	3,089,013
	<b>2,417,725</b>	<b>3,231,171</b>

Out of Rs 2,417.725 million (2020: Rs 3,231.171 million), the Company has provided Rs 83.749 million (2020: Rs 76.169 million) as amounts being doubtful.



## 44.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its 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 44.3.2 of these unconsolidated financial statements.

## 44.3 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.

### 44.3.1 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:

	2021	2020
	----- (Amount' 000) -----	
<b>Bills payable</b>		
US Dollar	1,135	704
Japanese Yen	28,894	-
GB Pound	12	-
Euro	28	70
AED	905	70

As at March 31, 2021, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound, Euro and AED with all other receivables held constant, loss before taxation for the year would have been lower / higher by Rs 2.65 million (2020: Rs 1.165 million).

### 44.3.2 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, 2021, with all other variables held constant, the net assets and loss before taxation for the year would have been lower / higher by Rs 21.981 million (2020: Rs 24.442 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, 2021 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:

2021							
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 upto one year	Maturity after one year	Sub-total	

(Rupees '000)

#### On balance sheet financial instruments

##### Financial assets

##### Amortised cost

Loans and advances	-	-	-	73,645	7,317	80,962	80,962
Long-term deposits	-	-	-	-	42,039	42,039	42,039
Trade receivables	-	-	-	2,333,976	-	2,333,976	2,333,976
Trade deposits and other receivables	-	-	-	38,408	-	38,408	38,408
Cash and bank balances	-	-	-	94,226	-	94,226	94,226
	-	-	-	2,540,255	49,356	2,589,611	2,589,611

##### Financial liabilities

##### Financial liabilities at amortised cost

Trade and other payables	-	-	-	1,080,022	-	1,080,022	1,080,022
Unclaimed dividend	-	-	-	5,873	-	5,873	5,873
Accrued profit / mark-up	-	-	-	41,843	-	41,843	41,843
Long term loan	113,250	80,331	193,581	-	-	-	193,581
SBP Refinance Scheme for salaries and wages	137,517	124,719	262,236	-	-	-	262,236
Loan from Director	-	-	-	103,550	-	103,550	103,550
Short-term borrowings	2,004,474	-	2,004,474	-	-	-	2,004,474
	2,255,241	205,050	2,460,291	1,231,288	-	1,231,288	3,691,579

#### On balance sheet gap

	(2,255,241)	(205,050)	(2,460,291)	1,308,967	49,356	1,358,323	(1,101,968)
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#### Off-balance sheet financial instruments

Commitments in respect of capital expenditure	-	-	-	4,636	-	4,636	4,636
Commitments in respect of Letter of credit	-	-	-	886,542	-	886,542	886,542
Outstanding bank guarantees	-	-	-	114,789	-	114,789	114,789
	-	-	-	1,005,967	-	1,005,967	1,005,967

2020							
Effective interest rate (in	Interest / mark-up bearing			Non interest / mark up bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	

(Rupees '000)

#### On balance sheet financial instruments

##### Financial assets

##### Loans and receivables

Loans and advances	-	-	-	31,020	491	31,511	31,511
Long-term deposits	-	-	-	-	42,480	42,480	42,480
Trade debts	-	-	-	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
	-	-	-	3,346,665	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
Accrued profit / mark-up	-	-	-	98,936	-	98,936	98,936
Lease liability	-	-	-	-	-	-	-
Long term loan	84,938	136,956	221,894	-	-	-	221,894
Loan from Director	-	-	-	110,550	-	110,550	110,550
Short-term borrowings	2,345,284	-	2,345,284	-	-	-	2,345,284
	2,430,222	136,956	2,567,178	1,283,358	-	1,283,358	3,850,536

#### On balance sheet gap

	(3,199,663)	-	(3,199,663)	2,063,307	42,971	2,106,278	(460,900)
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#### 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



#### 44.3.3 Price risk

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

#### 44.4 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.

- 44.4.1 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.

#### 45. 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.

	2021	2020
	----- (Rupees '000) -----	
Total debts	2,552,409	2,677,728
Less: Cash and bank balances	(94,226)	(140,253)
Net debts	2,458,183	2,537,475
Total equity	3,808,872	3,803,675
Total equity and debt	6,267,055	6,341,150
Gearing ratio	39.22%	40.02%



#### 46. NUMBER OF EMPLOYEES

##### 46.1 Number of employees at March 31

- Permanent
- Contractual

2021	2020
----- (Number) -----	
308	325
35	29
343	354

This includes 193 (2020: 202) number of factory employees

##### 46.2 Average number of employees during the year

- Permanent
- Contractual

316	334
32	30
348	364

This includes 186 (2020: 191) number of factory employees

#### 47. 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 amounting to Rs. 1,326,403 (2020: Rs. 1,465,952) - refer note 25
- (ii) Profit paid on Islamic modes of financing Rs. 104,218 (2020: 271,110) - refer note 33
- (iii) Profits earned or interest paid on any conventional loans, deposits or advances - Rs. 76,387 (2020: Rs. 132,018) refer note 33.

#### 48. 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.

#### 49. IMPACT OF COVID-19

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 average monthly sales by 91% and 36% in the month of April and May, 2020 respectively. 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 and intangible assets under IAS 36, 'Impairment of non financial assets';
- the net realisable value of inventory under IAS 2, 'Inventories';
- deferred tax assets in accordance with IAS 12, 'Income taxes';
- provisions and contingent liabilities under IAS 37, including onerous contracts; and
- going concern assumption used for the preparation of these unconsolidated financial statements.

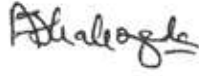
According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these unconsolidated financial statements.

## 50 DATE OF AUTHORISATION

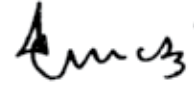
These unconsolidated financial statements were authorised for issue on June 30, 2021 by the Board of Directors of the Company.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer

A large, bold, red stylized lightning bolt graphic that originates from the top right corner and extends towards the bottom left, with a jagged, zig-zag shape in the center.

# CONSOLIDATED **FINANCIAL STATEMENTS**



# INDEPENDENT AUDITOR'S REPORT

To the members of Exide Pakistan Limited

Report on the Audit of the Consolidated Financial Statements

## 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, 2021, 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, 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 consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2021, 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 judgment, 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:

Key Audit Matters	How the matter was addressed in our audit
<b>1. Revenue Recognition</b>	
<p>The Group is engaged in manufacturing of batteries and solar panel sale to domestic as well export customers.</p> <p>Revenue from the local (including indirect exports) and export sales is recognised when control of goods is transferred to the customer as explained in note 4.18, and the related amounts of revenue recognised during the year are disclosed in note 26 to the consolidated financial statements.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"><li>Assessed appropriateness of the Company's accounting policies for revenue recognition in light of applicable accounting and reporting standards;</li><li>Obtained understanding of design and evaluate implementation of controls designed to ensure that revenue is recognised in the appropriate accounting period and based on transfer of control of goods to the customer;</li></ul>

# INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How the matter was addressed in our audit
<p>We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Group and because of the potential risk that revenue transactions may not have been recognised on point in time basis i.e. when control of goods is transferred to the customer in line with the accounting policy adopted and may not have been recognised in the appropriate period.</p>	<ul style="list-style-type: none"> <li>• Checked on a sample basis whether the recorded local and export sales transactions were based on actual transfer of control of goods to the customer;</li> <li>• Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents.</li> </ul>
<p><b>2. Provision for Warranty Claims</b></p> <p>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.</p> <p>The charge for the year in respect of provision for warranty claims amounted to Rs 215.140 million and the provision as at March 31, 2021 amounted to Rs 98.691 million.</p> <p>Due to the significance of the provision balance and related significant estimation involved, we considered it as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the warranty process, evaluated the design of the related controls;</li> <li>• 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</li> <li>• Assessed the relevant disclosures made in the consolidated financial statements to determine whether they complied with the accounting and reporting standards as applicable in Pakistan.</li> </ul>
<p><b>3. Impact of COVID-19</b></p> <p>The global political and economic uncertainties resulting from the COVID-19 pandemic along with the government's guidelines and decision to prevent the further spread of the hazardous out-break has resulted in significant volatility and business disruption at global level. The Group, being no exception, was also affected by the pandemic due to which the Group was forced to curtail the operations in the first quarter.</p> <p>The Group has taken various measures to absorb the impact and revive the operations level which have been disclosed in note 48 to the financial statements.</p> <p>We have identified the impact of COVID-19 as key audit matter due to the significance of its effects on the Group's operations and financing.</p>	<p>Our audit procedures to assess the identified key audit matter included the following:</p> <ul style="list-style-type: none"> <li>• Re-performing and assessing the impairment testing of current assets (including stock-in-trade, stores and spares, trade receivable and other receivables) carried out by management as at year end;</li> </ul> <p>Reviewing correspondence relating to the salary loan obtained under SBP's Refinance scheme and assessment of recognition criteria adopted by the management in comparison with the requirements of IAS-20: Deferred Grants and ICAP's circular addressing the recognition and accounting for the salary loans issued by SBP to cope with the impact of COVID-19 through-out the country. Further, we also ensured that related covenants have not breached during the year.</p> <p>Reviewing the correspondence related to the deferments of loans allowed by the designated banks.</p>

# INDEPENDENT AUDITOR'S REPORT

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement of therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under law. We have nothing to report in this regard.

## Responsibilities of Management and 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 requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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.



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

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

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

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

## Other Matter

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

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



Chartered Accountants

Place: Karachi

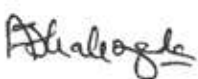
Dated: July 05, 2021

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021**

		2021	2020
	Note	(Rupees '000)	(Rupees '000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5	1,271,461	1,340,079
Long-term loans	6	7,317	491
Long-term deposits	7	42,039	42,480
		1,320,817	1,383,050
<b>Current assets</b>			
Stores and spares	8	106,165	112,321
Stock-in-trade	9	2,748,574	1,881,076
Trade debts	10	2,333,976	3,155,002
Loans and advances	11	73,645	31,020
Trade deposits, prepayments and other receivables	12	45,045	39,697
Taxation recoverable		941,995	1,076,443
Cash and bank balances	13	94,228	140,255
		6,343,628	6,435,814
Assets classified as held for sale	14	-	552,015
		7,664,445	8,370,879
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 18,000,000 (2020: 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		(707,040)	(726,997)
Revaluation surplus on property, plant and equipment - net of tax	16	1,081,204	1,095,836
		3,807,923	3,802,598
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loan	17	80,331	221,894
SBP refinance scheme for payment of salaries and wages	18	113,287	-
Deferred government grant	19	5,806	-
Deferred taxation - net	20	-	-
		199,424	221,894
<b>Current liabilities</b>			
Trade and other payables	21	1,241,001	1,785,019
Unclaimed dividend		5,873	5,873
Accrued profit / mark-up	22	41,843	98,936
Loan from director	23	104,275	111,275
Short-term borrowings	24	2,004,474	2,345,284
Current portion of long term loan	17	113,250	-
Current portion of deferred government grant		8,865	-
Current portion of SBP refinance scheme for payment of salaries and wages	18	137,517	-
		3,657,098	4,346,387
<b>TOTAL LIABILITIES</b>		3,856,522	4,568,281
<b>TOTAL EQUITY AND LIABILITIES</b>		7,664,445	8,370,879
<b>CONTINGENCIES AND COMMITMENTS</b>			
25			

The annexed notes 1 to 49 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2021**

	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Sales - net	26	11,715,572	8,722,283
Cost of sales	27	(10,547,821)	(7,995,164)
Gross profit		1,167,751	727,119
Selling and distribution expenses	28	(686,213)	(757,940)
Administration and general expenses	29	(130,244)	(116,419)
		351,294	(147,240)
Other income	30	38,623	166,560
		389,917	19,320
Other operating charges	31	(33,494)	(52,070)
<b>Operating profit / (loss)</b>		<b>356,423</b>	<b>(32,750)</b>
Finance cost	32	(180,605)	(403,128)
<b>Profit / (loss) before taxation</b>		<b>175,818</b>	<b>(435,878)</b>
Taxation - net	33	(175,734)	(123,033)
<b>Profit / (loss) after taxation</b>		<b>84</b>	<b>(558,911)</b>
<b>Other comprehensive income for the year</b>			
<b>Items that will not be reclassified to the consolidated statement of profit or loss in subsequent periods</b>			
Remeasurements of defined benefit plan	35.30	7,381	(6,905)
Deferred tax on remeasurements of defined benefit plan		(2,140)	2,002
		5,241	(4,903)
<b>Items may be reclassified to the consolidated statement of profit or loss in subsequent periods</b>			
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)
		-	604,320
<b>Total comprehensive income for the year</b>		<b>5,325</b>	<b>40,506</b>
<b>----- (Rupees) -----</b>			
<b>Earning / (loss) per share (basic and diluted)</b>	34	<b>0.01</b>	<b>(71.94)</b>

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer



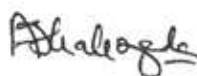
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2021**

Issued, subscribed and paid- up share capital	Capital reserves			Revenue reserves		Total
	General capital reserve	Reserve arising on amalgama- tion - net	Revaluation surplus on property, plant and equipment	General revenue reserve	Accum- ulated losses	
(Rupees '000)						
77,886	259	25,823	609,132	3,329,991	(263,039)	3,779,852
-	-	-	-	-	(17,760)	(17,760)
77,886	259	25,823	609,132	3,329,991	(280,799)	3,762,092
-	-	-	-	-	(558,911)	(558,911)
-	-	-	-	-	(6,905)	(6,905)
-	-	-	-	-	2,002	2,002
-	-	-	(526)	-	-	(526)
-	-	-	604,846	-	-	604,846
-	-	-	604,320	-	(4,903)	599,417
-	-	-	(101,870)	-	101,870	-
-	-	-	(15,746)	-	15,746	-
77,886	259	25,823	1,095,836	3,329,991	(726,997)	3,802,598
-	-	-	-	-	84	84
-	-	-	-	-	7,381	7,381
-	-	-	-	-	(2,140)	(2,140)
-	-	-	-	-	-	-
-	-	-	-	-	5,241	5,241
-	-	-	(14,632)	-	14,632	-
77,886	259	25,823	1,081,204	3,329,991	(707,040)	3,807,923

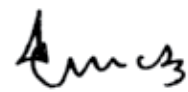
The annexed notes 1 to 49 form an integral part of these consolidated financial statements.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer

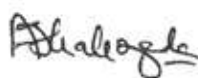
**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2021**

	Note	2021 ------(Rupees '000)-----	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	39	410,124	1,508,733
Financial charges paid		(226,266)	(385,875)
Tax paid		(38,160)	(302,731)
Contribution to gratuity fund paid		(151)	-
Decrease in long-term deposits		441	3,781
(Increase) / decrease in long-term loans		(6,826)	94
<b>Net cash (used in) / generated from operating activities</b>		<b>139,162</b>	<b>824,002</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital expenditure		(75,773)	(58,562)
Proceeds from disposal of operating fixed assets		4,469	275,109
<b>Net cash (used in) / generated from investing activities</b>		<b>(71,304)</b>	<b>216,547</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loan from director		(7,000)	(195,000)
SBP refinance scheme for payment of salaries and wages		275,034	-
Repayment of loan		(41,109)	-
<b>Net cash flows generated from / (used in) financing activities</b>		<b>226,925</b>	<b>(195,000)</b>
<b>Net increase in cash and cash equivalents during the year</b>		<b>294,783</b>	<b>845,549</b>
Cash and cash equivalents at the beginning of the year		(2,205,029)	(3,050,578)
<b>Cash and cash equivalents at the end of the year</b>	40	<b>(1,910,246)</b>	<b>(2,205,029)</b>

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer



## **1. THE COMPANY AND ITS OPERATIONS**

### **1.1 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.

### **1.2 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, 2021 have not been prepared on a going concern basis and consequently all the assets appearing in the financial statements have been measured at their realisable values and the liabilities are reported at amounts not less than those at which these are expected to be settled.

## **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;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017.

Where 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 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 company 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 company. 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 New accounting standards / amendments and IFRS interpretations that are effective for the year ended March 31, 2021

The following standards, amendments and interpretations are effective for the year ended March 31, 2021. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards	January 01, 2020
- Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business	January 01, 2020
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material	January 01, 2020
- Amendments to IAS 39, IFRS 7 and IFRS 9 – The amendments will affect entities that apply the hedge accounting requirements of IFRS 9 or IAS 39 to hedging relationships directly affected by the interest rate benchmark reform.	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

### New accounting standards / amendments and IFRS interpretations that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- IFRS 14 – Regulatory Deferral Accounts	July 01, 2020
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

## 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 4.4.2, 4.7 and 10);
- ii) Provision against battery warranty claims (notes 4.13 and 21.3);
- iii) Provision against slow moving and obsolete stores and spares (notes 4.5 and 8.1);
- iv) Provision against slow moving and obsolete stock-in-trade (notes 4.6 and 9.1);
- v) Estimation of liability in respect of staff retirement benefits (notes 4.15 and 35);
- vi) Provision for taxation (notes 4.17, 20 and 33);
- vii) Estimation of useful lives and depreciation rates of property, plant and equipment (notes 4.1.1 and 5);
- viii) Revaluation of property, plant and equipment (notes 4.1.1 & 16);
- ix) Impairment of financial and non-financial assets (note 4.4.2 & 4.3);
- x) Intangible assets (notes 4.2 & 5.2); and
- xi) Contingencies and commitments (note 25).

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented except for the changes as disclosed in notes 4.10 and 4.11 to these consolidated financial statements.

##### **4.1 Fixed assets**

###### **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 capitalised.

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 operating asset. 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.

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

###### **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.

##### **4.2 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 Impairment of non-financial assets

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.

### 4.4 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Group loses control of the contractual rights that comprise the financial assets. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

#### 4.4.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 4.4.2 Impairment of financial assets

The Group recognises a loss allowance for Expected Credit Losses (ECL) on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Group recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date.

#### 4.4.3 Financial liabilities

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

##### Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the statement of profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the consolidated financial liability that is attributable to changes in the credit risk of that liability is recognised in consolidated statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statement of profit or loss.

The remaining amount of change in the fair value of liability is recognised in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in consolidated statement of other comprehensive income are not subsequently reclassified to the statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in the consolidated statement of profit or loss.

##### Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.



#### **4.4.4 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.

#### **4.4.5 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.

#### **4.5 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.

#### **4.6 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.

#### **4.7 Trade debts and other receivables**

Trade receivables are recorded initially at transaction price and subsequently measured at amortised cost. This results in their recognition at nominal value less an allowance for any doubtful debts. The allowance for doubtful debts is recognised based on management's expectation of losses without regard to whether an impairment trigger happened or not (an "expected credit loss" model).

#### **4.8 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.

#### **4.9 Borrowings and borrowing costs**

Borrowings are recognised initially at fair value and are subsequently carried at amortised 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.

#### **4.10 SBP refinance scheme for payment of salaries and wages**

Loan obtained under the State Bank of Pakistan (SBP) refinance scheme for payment of salaries and wages to the workers and employees was initially recognised at its fair value, which is the present value of future cash outflows discounted using the prevailing market interest rate of a similar instrument. The differential between the loan proceeds and fair value is recorded as government grant under IAS 20 "Deferred government grant" as disclosed in note 4.10.

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



#### **4.11 Deferred government grant**

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

In subsequent periods, the grant is to be amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.

#### **4.12 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.

#### **4.13 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.

#### **4.14 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.

#### **4.15 Staff retirement benefits**

The Group operates an approved funded gratuity plan covering all eligible employees. A separate fund was being maintained by the Group for employees of Automotive Battery Company 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, 2021 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.

The Group also operates 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.

#### **4.16 Employees' compensated absences**

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

#### **4.17 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 liability 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.



#### 4.18 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.

#### 4.19 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.

#### 4.20 Segment reporting

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

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

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

#### 4.21 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 Pakistan Rupees, which is the Group's functional and presentation currency.

#### 4.22 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan 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.

#### 4.23 Basic and diluted earnings / (loss) per share

The Group presents basic and diluted earnings / (loss) 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.

#### 4.24 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.

### 5. FIXED ASSETS

	Note	2021 ----- (Rupees '000) -----	2020
Property, plant and equipment	5.1	1,271,461	1,339,304
Intangible asset	5.2	-	775
		<u>1,271,461</u>	<u>1,340,079</u>



## 5.1 Property, plant and equipment

	Note	2021 (Rupees '000)	2020
Operating assets	5.1.1	1,271,103	1,338,944
Capital work-in-progress	5.1.2	358	360
		<b>1,271,461</b>	<b>1,339,304</b>

### 5.1.1 Operating assets

	2021						
	Leasehold land	Buildings on leasehold land	Plant and machinery*	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
	(Rupees '000)						
As at April 1, 2020							
Cost / revalued amount	731,328	96,373	1,788,760	23,659	38,132	123,183	2,801,435
Accumulated depreciation	(26,960)	(28,754)	(1,262,426)	(16,505)	(31,683)	(96,164)	(1,462,492)
Carrying amount	704,368	67,619	526,334	7,154	6,449	27,019	1,338,943
Additions / transfers from CWIP	-	241	69,498	2,426	3,146	464	75,775
Surplus on revaluation during the year	-	-	-	-	-	-	-
Disposals							
Cost	-	-	-	-	-	(7,594)	(7,594)
Depreciation	-	-	-	-	-	5,437	5,437
	-	-	-	-	-	(2,157)	(2,157)
Assets held for sale							
Cost	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Depreciation charge for the year	(14,088)	(6,784)	(104,732)	(1,718)	(2,677)	(11,459)	(141,458)
Closing net book value	690,280	61,076	491,100	7,862	6,918	13,867	1,271,103

#### As at March 31, 2021

Cost / revalued amount	731,328	96,614	1,858,258	26,085	41,278	116,053	2,869,616
Accumulated depreciation	(41,048)	(35,538)	(1,367,158)	(16,223)	(34,380)	(102,186)	(1,598,513)
Carrying amount	690,280	61,076	491,100	7,862	6,918	13,867	1,271,103
Depreciation rate % per annum	2	10	10 - 20	10 - 20	10 - 20	10 - 20	

	2020						
	Leasehold land	Buildings on leasehold land	Plant and machinery*	Furniture and fixtures	Office equipment and appliances	Vehicles	Total
	(Rupees '000)						
At April 1, 2019							
Cost / revalued amount	794,000	96,762	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 / transfers 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							
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							
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 30.388 million (2020: Rs. 22.423 million), Rs. 16.477 million (2020: Rs 8.850 million) and Rs. 13.911 million (2020: 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.

2021	2020
(Rupees '000)	

### 5.1.2 Capital work-in-progress

Plant and machinery	358	360
---------------------	-----	-----

### 5.1.3 The details of the Group's immovable fixed assets are as follows:

Location	Usage of immovable property	Total Area (In acres)	Covered Area (In square)
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, District 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

### 5.1.4 Revalued land, building and leasehold improvements

The Group has a policy of revaluing the leasehold land and building on leasehold land (classified as operating assets) using the revaluation model. The fair value of the Group's leasehold land, building on leasehold land are determined on periodic, but at least in three years, by an independent professionally qualified valuer.

The carrying values of the leasehold land, buildings on leasehold land would have been Rs. 111.138 million (2020: 113.406 million) and Rs. 37.235 million (2020: 41.105 million) under the cost model.

### 5.1.5 Fair value measurements under revaluation model for property, plant and equipment

The fair value measurements of the Group's leasehold land, buildings on leasehold land as at March 31, 2020 were performed 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. During the year, the Group has not performed revaluation.

### 5.1.6 Fair value hierarchy

Details of the Group's land, buildings and leasehold improvements and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 1	Level 2	Level 3	Fair Value as at March 31, 2021	Level 1	Level 2	Level 3	Fair Value as at March 31, 2020
(Rupees '000)								
Leasehold land	-	-	-	-	-	-	731,328	731,328
Buildings on leasehold land	-	-	-	-	-	-	96,373	96,373
	-	-	-	-	-	-	827,701	827,701

### 5.1.7 The carrying values of the leasehold land, buildings on leasehold land would have been Rs. 111.138 million (2020: 113.406 million) and Rs. 37.235 million (2020: 41.105 million) under the cost model.

## 5.2 Intangible asset

2021						
Cost		Accumulated amortisation			Net book value as at March 31	Amortisation rate % per annum
As at April 1	Additions / transfers from CWIP	As at March 31	As at April 1	Charge for the year	As at March 31	
(Rupees '000)						
31,649	-	31,649	30,874	775	31,649	-
						33

## Software

2020						
Cost		Accumulated amortisation			Net book value as at March 31	Amortisation rate % per annum
As at April 1	Additions / transfers from CWIP	As at March 31	As at April 1	Charge for the year	As at March 31	
(Rupees '000)						
31,649	-	31,649	22,768	8,106	30,874	775
						33

## Software



- 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	
		2021	2020	2021	2020
		----- (Rupees '000) -----		----- (Rupees '000) -----	
Cost of sales	27	736	7,701	128,196	145,212
Selling and distribution expenses	28	16	162	10,003	3,057
Administration and general expenses	29	23	243	3,259	4,586
		<b>775</b>	<b>8,106</b>	<b>141,458</b>	<b>152,855</b>

	Note	2021	2020
		----- (Rupees '000) -----	

## 6. LONG-TERM LOANS

### Considered good - unsecured

Due from:

Executives - related party	6.1, 6.2 & 6.3	1,890	1,167
Employees	6.1	13,436	551
		<b>15,326</b>	<b>1,718</b>
Less: current portion of long-term loan	11	(8,009)	(1,227)
		<b>7,317</b>	<b>491</b>

- 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.

	2021	2020
	----- (Rupees '000) -----	

### 6.2 Reconciliation of carrying amount of loans due from executives

Opening balance	1,167	539
Disbursements during the year	1,989	2,602
Repayments during the year	(1,266)	(1,974)
Closing balance	<b>1,890</b>	<b>1,167</b>

- 6.3** The maximum aggregate amount due from executives at the end of any month during the year was Rs 1.89 million (2020: Rs 2.088 million).

	Note	2021	2020
		----- (Rupees '000) -----	

## 7. LONG-TERM DEPOSITS

Utilities		25,142	19,708
Others		17,450	23,325
		<b>42,592</b>	<b>43,033</b>
Less: provision against long-term deposits	7.1	(553)	(553)
		<b>42,039</b>	<b>42,480</b>

	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
<b>7.1 Provision against long-term deposits</b>			
Opening balance		553	-
Impact on adoption of IFRS 9		-	553
Provision made during the year		-	-
Closing balance		553	553
<b>8. STORES AND SPARES</b>			
Stores		3,997	15,089
Spares (including in transit - Rs. 8.35 million (2020: Rs. Nil))		121,337	114,015
		125,334	129,104
Less: provision against slow moving and obsolete stores and spares	8.1	(19,169)	(16,783)
		106,165	112,321
<b>8.1 Provision against slow moving and obsolete stores and spares</b>			
Opening balance		16,783	13,690
Provision made during the year	31	2,386	3,093
Closing balance		19,169	16,783
<b>9. STOCK-IN-TRADE</b>			
Raw and packing materials and components (including goods-in-transit of Rs 446.634 million (2020: Rs 151.548 million))	9.2	1,084,598	1,031,491
Work-in-process		1,103,022	321,260
Finished goods (including in transit of Rs. Nil (2020: Rs 27.328 million))		596,022	562,587
		2,783,642	1,915,338
Less: provision against slow moving and obsolete stock-in-trade	9.1	(35,068)	(34,262)
		2,748,574	1,881,076
<b>9.1 Provision against slow moving and obsolete stock-in-trade</b>			
Opening balance		34,262	33,307
Provision made during the year	31	806	955
Closing balance		35,068	34,262
<b>9.2</b>			
Raw materials and components amounting to Rs. 29.67 million (2020: Rs. 29.98 million), Rs. 0.566 million (2020: Rs. 0.244 million), Nil (2020: Rs. 0.025 million) and Rs. 4.618 million (2020: nil) were held by Precision Polymers (Private) Limited, Wakil Enterprises, Nobel Enterprises and Areeba Enterprises respectively, who under an arrangement with the Group, manufacture plastic containers, lids and vent plugs for the Group.			
<b>10. TRADE DEBTS (unsecured)</b>	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Considered			
- good	10.1	2,333,976	3,155,002
- doubtful		83,749	76,169
		2,417,725	3,231,171
Less: provision against doubtful trade debts	10.2	(83,749)	(76,169)
		2,333,976	3,155,002

	2021	2020
Note	----- (Rupees '000) -----	

#### 10.1 Aging of unsecured trade debts is as follows:

Less than 180 days	2,096,766	2,830,052
181 days and above	237,210	324,950
	<u>2,333,976</u>	<u>3,155,002</u>

#### 10.2 Provision against doubtful trade debts

Opening balance	76,169	52,062
Impact on adoption of IFRS 9	-	17,207
Provision made during the year	7,580	6,900
Closing balance	<u>83,749</u>	<u>76,169</u>

### 11. LOANS AND ADVANCES

#### Considered good - unsecured

Current portion of long term loans due from employees and executives	6	8,009	1,227
Advances to:			
- employees	11.1	-	987
- suppliers		65,636	28,806
		<u>73,645</u>	<u>31,020</u>

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

	2021	2020
Note	----- (Rupees '000) -----	

### 12. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Prepayments	6,639	15,992
Insurance claims receivable	3,868	-
Receivable from defined benefit plans - related party	20,115	17,037
Container deposits	14,305	2,105
Others	118	1,248
	<u>45,045</u>	<u>36,382</u>

#### 12.1 Receivable from defined benefit plans

	2021			2020		
	Exide	ABCL	Total	Exide	ABCL	Total
----- (Rupees '000) -----						
Balance at April 1	(14,382)	(2,655)	(17,037)	(20,783)	(3,903)	(24,686)
Charge for the year	4,533	(79)	4,454	1,652	(449)	1,203
Other comprehensive income	(7,091)	(290)	(7,381)	5,208	1,697	6,905
Contributions paid	(151)	-	(151)	(459)	-	(459)
Balance at March 31	<u>(17,091)</u>	<u>(3,024)</u>	<u>(20,115)</u>	<u>(14,382)</u>	<u>(2,655)</u>	<u>(17,037)</u>



**12.1.1** The details of defined benefit plan and the related disclosures are given in note 36 to these consolidated financial statements.

**12.1.2** Automotive Battery Company Limited (ABCL) was merged with Exide Pakistan Limited (Exide) in accordance with the scheme of amalgamation approved by the 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

Balances with banks - current accounts  
Cash in hand

2021	2020
----- (Rupees '000) -----	
94,152	139,889
76	366
<b>94,228</b>	<b>140,255</b>

### 14. ASSETS CLASSIFIED AS HELD FOR SALE

Land  
Building

-	532,000
-	20,015
<b>-</b>	<b>552,015</b>

**14.1** The Group has completed this transaction during the year by transferring the assets classified as held for sale to M/s Hassanali Sons at an agreed price.

	Fair value less cost to sell	Accumulated depreciation	Net book value	Sale proceeds	Gain/(loss)	Mode of disposals/sett ement	Particulars of buyers/purcha ser
	----- (Rupees '000) -----						
Plot # D7	532,000	-	532,000	532,000	-	As per company policy	M/s. Hassanali Sons
Building	20,015	-	20,015	20,015	-	As per company policy	M/s. Hassanali Sons
	<b>552,015</b>	<b>-</b>	<b>552,015</b>	<b>552,015</b>	<b>-</b>		

### 15. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021	2020		2021	2020
----- (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	2,442	2,442
<b>7,768,618</b>	<b>7,768,618</b>		<b>77,686</b>	<b>77,686</b>

2021	2020
----- (Number of shares) -----	

## 15.1 Shares held by the related parties of the Group

### Name of the shareholders

Arif Hashwani	4,300	4,300
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
Ms. Sana Arif Hashwani	1,604,553	1,604,553
Ms. Zaver Hashwani	1,595,687	1,595,687
Ayub Hameed	100	100
Arshad Shahzada	13	13
Quaid Johar Udaipurwala	500	-

## 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	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Surplus on revaluation of operating fixed assets as at April 1	1,103,031	613,654
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	(15,618)	(16,632)
Surplus on revaluation of operating fixed assets as at March 31	1,087,413	1,103,031
Less: related deferred tax liability:		
- at beginning of the year	7,195	4,522
- on surplus arising on revaluation during the year	-	3,584
- on adjustment due to change in tax rate	-	526
- on assets disposed off during the year	-	(551)
- on incremental depreciation charged during the year	(986)	(886)
	6,209	7,195
	1,081,204	1,095,836

## 17. LONG TERM LOAN

With a banking company

18.1 & 18.2

### 17.1 Movement in term loan

Opening balance	221,894	-
Loan obtained during the year	-	221,894
Repaid during the year	(28,313)	-
Closing balance	193,581	221,894
Current portion	113,250	-
Non-current portion	80,331	-
	193,581	-

- 17.2** During last 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, which were further extended for the period of 6 months till December 31, 2020 and carries markup rate of 8.46%.

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 Group.

	Note	2021 ----- (Rupees '000) -----	2020
<b>18. SBP REFINANCE SCHEME FOR PAYMENT OF SALARIES AND WAGES</b>			
SBP refinance scheme for payment of salaries and wages	18.1	250,804	-

**18.1 Movement in SBP refinance scheme for payment of salaries and wages**

	Note	2021 ----- (Rupees '000) -----	2020
Opening balance		-	-
Recognised during the year		275,034	-
		275,034	-
Impact of deferred government grant	19.1	(20,599)	-
		254,435	-
Repaid during the year		(12,796)	-
Interest accreditation		9,165	-
Total borrowings		250,804	-
Current portion		137,517	-
Non-current portion		113,287	-
		250,804	-

The payment of principal component of these facilities, payable within next 12 months, has been deferred for 1 year as per the directions of State Bank of Pakistan via its Circular Letter No. 13 of 2020. However, the mark-up on these facilities is not deferred and payable as soon as its due to be paid. Consequently, the maturity date of these facilities have also been extended by 1 year.

	Note	2021 ----- (Rupees '000) -----	2020
<b>19. DEFERRED GOVERNMENT GRANT</b>			
Deferred grant		14,671	-
<b>19.1 Movement for the year</b>			
Opening balance		-	-
Deferred grant arises during the year		20,599	-
Amortisation for the year	30	(5,928)	-
Total deferred government grant		14,671	-
Current portion		8,865	-
Non-current portion		5,806	-
		14,671	-



Deferred grant relates to the difference between the fair value and actual proceeds of salary loan obtained under SBP's Refinance scheme for payment of salaries during the current year. It will be amortised over the period of next two and a half year with an amount equal to the difference between the finance cost charged to the consolidated statement of profit or loss account and the interest paid at SBP's defined rate as per the scheme. In subsequent periods, the grant will be amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.

	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
<b>20. DEFERRED TAXATION - NET</b>			
<b>Deferred tax liability arising on taxable temporary differences due to:</b>			
Accelerated tax depreciation	16	36,230	38,271
Revaluation surplus on property, plant and equipment		-	7,195
Provision for gratuity		5,833	4,941
		42,063	50,407
<b>Deferred tax assets arising on deductible temporary differences due to:</b>			
Provision against slow moving and obsolete stock-in-trade		(6,232)	(9,936)
Provision against slow moving and obsolete stores and spares		(3,407)	(4,867)
Provision against doubtful trade debts		(14,884)	(22,089)
Provision against battery warranty claims		(17,540)	(13,515)
		(42,063)	(50,407)
		-	-

## 21. TRADE AND OTHER PAYABLES

Trade creditors		687,330	656,185
Bills payable		264,686	130,181
Accrued liabilities	21.1	104,724	169,600
Advances from customers		-	100,918
Provision for Workers' Welfare Fund		35,637	32,051
Provision for Workers' Profit Participation Fund	21.2	6,121	(3,315)
Provision against battery warranty claims	21.3	98,691	95,432
Payable to provident funds		1,786	2,003
Royalty payable		8,369	7,836
Sales tax payable		26,427	31,906
Insurance claims		-	525
Advance payment received against assets classified as held for sale	14.1	-	552,015
Other payables		7,230	6,237
		1,241,001	1,781,574

**21.1** This includes an amount of Rs 5.121 million (2020: Rs 4.906 million) in respect of employees compensated absences.

	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
<b>21.2 Workers' Profits Participation Fund</b>			
Balance at April 1		(3,315)	(3,315)
Allocation for the year	31	9,436	-
		6,121	(3,315)
Less: amount paid during the year		-	-
Balance at March 31		6,121	(3,315)

		2021	2020
	Note	----- (Rupees '000) -----	
<b>21.3 Provision against battery warranty claims</b>			
Balance at April 1		95,432	133,411
Charge for the year	28	215,140	244,693
Claims paid during the year		(211,881)	(282,672)
Balance at March 31		98,691	95,432

## 22. ACCRUED PROFIT / MARK-UP

### Profit accrued on:

Running Musharakah	8,988	61,029
Tijarah	13,813	8,812
Istisna	11,938	-
	34,739	69,841

### Markup accrued on:

Running finance	7,104	29,095
	41,843	98,936

## 23. LOAN FROM DIRECTOR - Unsecured

Loan from director	24.1 & 24.2	104,275	111,275
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**23.1** Loan from director is unsecured, interest free and payable on director's demand.

### 23.2 Movement of loan from director

movement of loan from director

	As at April 1	Receipts	Repayment	As at March 31	
	----- (Rupees '000) -----				
Loan from director	2021	111,275	-	(7,000)	104,275
	2020	306,275	90,000	(285,000)	111,275

	Note	2021	2020
		----- (Rupees '000) -----	

## 24. SHORT-TERM BORROWINGS

### From banking companies - secured

24.1

Running Musharakah	195,000	965,952
Tijarah	631,403	500,000
Istisna	500,000	-
	1,326,403	1,465,952
Running finance	678,071	879,332
	2,004,474	2,345,284

**24.1** These facilities, representing Running Musharakah, Istisna and Running Finance facilities, are available from certain commercial banks up to Rs. 2,598 million (2020: Rs. 3,610 million) and carry profit / mark-up rates ranging from 7.96% to 9.96% (2020: 11.14% to 15.73%) per annum. At March 31, 2021, unutilised facilities available to the Group aggregated to Rs. 499 million (2020: Rs. 769 million). These 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.



## 25 CONTINGENCIES AND COMMITMENTS

### 25.1 Contingencies

**25.1.1** 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 Group amounted to approximately Rs 24 million. This was adjudicated by the Income Tax Appellate Tribunal in the Group'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 Sindh High Court, which upheld the order of the Tribunal vide its judgment dated January 27, 2006. The Tax Department has filed a further appeal before the Supreme Court of Pakistan against the judgment of the High Court which is currently pending. Based on the legal advice from the Group's lawyers and in view of the initial success upto the High Court level, the Group expects the final outcome to be in its favour and accordingly provision has not been made in these consolidated financial statements in respect of this amount.

**25.1.2** The Group received a notice from the Directorate of Intelligence and Investigation – the Federal Board of Revenue (FBR), Lahore on April 15, 2011. In the said notice it was alleged that the Group had purchased goods from certain dummy / fake suppliers (suppliers) who got themselves registered with the Regional Tax Officers at Lahore, Faisalabad and Karachi. These suppliers issued fake sales tax invoices to the Group and accordingly the Group 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 Group was included as an accused person in the First Information Report (FIR) No. 04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation – FBR, Lahore.

The management of the Group was of the view that the Group 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 Group electronically files its Sales Tax Returns and the web portal of FBR accepts input tax claim for only active tax payers. The dummy / fake suppliers as alleged in the FIR were active at the time of purchase of goods and were filing their sales tax returns which was accepted by the web portal of FBR. This made the Group believe that it was safe and legitimate to conclude that the alleged suppliers at the time of supplying taxable goods to the Group were making their output tax payments. The management believes that the Group had no other means of confirmation. The Group 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 Group has, therefore, filed a Constitutional Petition in the Sindh High Court (the Court) and prayed to quash the FIR against the Group 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 Supreme Court of Pakistan against interim injunction order passed by a Division Bench of the Honorable Sindh High Court. The department's appeal was rejected by the Honorable Supreme Court of Pakistan. Majority of alleged accused persons challenged the said FIR no. 04/2011 in the Lahore High Court.

However, the Lahore High Court has quashed the said FIR no. 04/2011. The management of the Group is confident that in view of the explanations given in the above paragraph the matter will be decided in favour of the Group and, accordingly, the Group will not be exposed to any loss on account of this action and hence no provision has been recognised in these consolidated financial statements.

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

The Group 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 Group and insisted upon submission of various information and audit, the Group, therefore, filed a constitutional petition in the 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 High Court has granted an interim order and directed the authority to stop any action against the Group and the said interim order is operating.

**25.1.4** 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 Group has been granted a stay order by the 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 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.

**25.1.5** The Additional Director and Deputy Director of Directorate of Intelligence & Investigation (Inland Revenue), Karachi ("the Directorate") raided the registered office of the Group under section 38 of The Sales Act, 1990. The officials collected certain information from the Group. The purpose of the raid was not disclosed by the authorities and the Group believes that the raid conducted by the Directorate was illegal. The High Court of Sindh served a notice to the Group on May 24, 2019 by giving reference to the order of the 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 Group was required to pay the amount before May 30, 2019. The Group had filed a constitution petition in the Sindh High Court and requested that no coercive action against the Group should be taken. The hearing of the case has been adjourned many times and could not be held after the initial directive.

On March 16, 2021 the hearing was held and judgement of the case was reserved by High Court of Sindh, however, the judgement is yet to be released. The Group based on the advice of its legal counsel believes that the matter has been decided in the favour of the Group. 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.

	2021	2020
	(Rupees '000)	
<b>25.2 Commitments</b>		
<b>25.2.1 Commitments in respect of:</b>		
Capital expenditure contracted for but not incurred	4,636	3,153
Letters of credit	886,542	323,584
Letters of guarantee	114,789	193,430

## 26. SALES - NET

	Batteries		Chemicals and solar		Total	
	2021	2020	2021	2020	2021	2020
	(Rupees '000)					
Sales	14,606,205	10,702,862	645,661	598,656	15,251,866	11,301,518
Less:						
Sales tax	2,087,461	1,578,892	55,923	62,929	2,143,384	1,641,821
Discounts to distributors and customers	1,392,910	937,414	-	-	1,392,910	937,414
	3,480,371	2,516,306	55,923	62,929	3,536,294	2,579,235
Net sales	11,125,834	8,186,556	589,738	535,727	11,715,572	8,722,283

## 27. COST OF SALES

	Note	Batteries		Chemicals and solar		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees '000)					
Opening stock		1,010,621	988,004	20,870	55,929	1,031,491	1,043,933
Purchases		9,465,938	6,106,402	488,802	535,111	9,954,740	6,641,513
		10,476,559	7,094,406	509,672	591,040	10,986,231	7,685,446
Closing stock		(998,354)	(1,010,621)	(86,244)	(20,870)	(1,084,598)	(1,031,491)
Raw and packing materials consumed		9,478,205	6,083,785	423,428	570,170	9,901,633	6,653,955
Salaries, wages and benefits	27.1	506,401	295,142	40,610	34,613	547,011	329,755
Spares consumed		123,489	44,341	14,705	-	138,194	44,341
Rent, rates and taxes	27.2	1,265	2,632	132	1,280	1,397	3,912
Fuel, power and water		516,110	338,852	63,874	49,119	579,984	387,972
Insurance		15,366	26,301	1,090	1,793	16,456	28,094
Repairs and maintenance		9,107	50,994	4,692	8,990	13,799	59,980
Depreciation	5.3	125,573	139,143	2,623	6,069	128,196	145,212
Amortisation	5.3	705	7,379	31	322	736	7,701
General expenses		31,903	46,180	3,709	6,091	35,612	52,271
Opening stock of work-in-process		319,903	438,445	1,357	2,432	321,260	440,877
Closing stock of work-in-process		(1,103,022)	(319,903)	-	(1,357)	(1,103,022)	(321,260)
Cost of goods manufactured		10,025,905	7,153,291	556,251	679,529	10,581,256	7,832,820
Opening stock of finished goods		362,778	714,393	199,809	10,538	562,587	724,931
		10,387,783	7,867,684	756,060	690,067	11,143,843	8,557,751
Closing stock of finished goods		(363,519)	(362,778)	(232,503)	(199,809)	(596,022)	(562,587)
		10,024,264	7,504,906	523,557	490,258	10,547,821	7,995,164

27.1 Salaries, wages and benefits include Rs 10.124 million (2020: Rs 10.318 million) in respect of staff retirement benefits.

27.2 The Group has a rent free tenancy agreement with two related parties therefore, no rent has been charged during this year.

## 28. SELLING AND DISTRIBUTION EXPENSES

	Note	Batteries		Chemicals and solar		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees '000)					
Salaries, wages and benefits	28.1	109,953	98,825	27,234	18,578	137,187	115,403
Repairs and maintenance		2,321	702	22	98	2,343	800
Royalty	28.2	8,369	7,838	-	-	8,369	7,838
Advertising and promotion		45,392	84,340	451	470	45,843	84,810
Rent, rates and taxes		24,158	22,722	7,867	3,378	32,025	26,100
Insurance		12,134	20,642	30	22	12,164	20,664
Printing and stationery		653	765	12	-	665	765
Carriage and forwarding		182,821	195,334	7,154	4,506	189,975	199,840
Battery warranty claims	21.3	215,140	244,693	-	-	215,140	244,693
Travelling, conveyance and entertainment		16,369	21,763	1,848	2,726	18,217	24,489
Depreciation	5.3	9,928	2,929	75	128	10,003	3,057
Amortisation	5.3	15	155	1	7	16	162
Postage, telegram, telephone and telex		2,155	2,095	290	109	2,445	2,204
Miscellaneous expenses		11,544	25,286	271	1,831	11,815	27,117
		640,952	728,089	45,261	29,851	686,213	757,940



28.1 Salaries, wages and benefits include Rs 1.305 million (2020: Rs 1.330 million) in respect of staff retirement benefits.

28.2 Royalty is paid by the Group 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.

## 29. ADMINISTRATION AND GENERAL EXPENSES

		Batteries		Chemicals and solar		Total	
		2021	2020	2021	2020	2021	2020
Note		(Rupees '000)					
Salaries, wages and benefits	29.1	91,191	78,154	2,338	2,312	93,529	80,466
Repairs and maintenance		3,719	5,926	95	147	3,814	6,073
Legal and professional charges		7,671	7,177	197	257	7,868	7,434
Rent, rates and taxes		115	77	3	2	118	79
Insurance		1,123	944	311	23	1,434	967
Depreciation	5.3	3,178	4,394	81	192	3,259	4,586
Amortisation	5.3	22	233	1	10	23	243
Printing and stationery		1,252	1,118	32	27	1,284	1,145
Travelling, conveyance and entertainment		7,128	6,249	183	153	7,311	6,402
Communication and postage		1,968	2,024	50	50	2,018	2,074
General expenses		9,346	6,783	240	167	9,586	6,950
		126,713	113,078	3,531	3,340	130,244	116,419

29.1 Salaries, wages and benefits include Rs 1.209 million (2020: Rs 1.232 million) in respect of staff retirement benefits.

## 30. OTHER INCOME

	Note	2021	2020
(Rupees '000)			
Profit on margin deposits		3,306	3,714
Gain on disposal of property, plant and equipment	5.1.3	2,312	153,296
Scrap sales		4,375	3,144
Gain on modification of terms of financial liability		-	4,606
Exchange gain		22,702	-
Other		-	1,800
Amortisation of deferred government grant	19.1	5,928	-
		38,623	166,560

## 31. OTHER OPERATING CHARGES

Auditors' remuneration	31.1	3,178	6,180
Workers' Profits Participation Fund	21.2	9,436	-
Workers' Welfare Fund		3,586	-
Donations	31.2	678	645
Provision against doubtful trade debts	10.2	7,580	6,900
Provision against slow moving and obsolete stores and spares	8.1	2,386	3,093
Provision against slow moving and obsolete stock-in-trade	9.1	806	955
Bank charges		5,844	9,305
Exchange loss		-	24,933
		33,494	52,011



	2021	2020
	----- (Rupees '000) -----	
<b>31.1 Auditors' remuneration</b>		
Audit fee	1,863	2,342
Tax advisory services	-	1,668
Fee for the review of half yearly financial statements	398	506
Special reports and certifications	500	894
Out of pocket expenses	222	540
Sindh sales tax	195	230
	<b>3,178</b>	<b>6,180</b>

**31.2** During the year the Group has made Donations of Rs. 0.678 million to the Kidney Centre Post Graduate Training Institute and no donation were not made to any donee in which the Group or a director or his spouse had any interest.

	2021	2020
	----- (Rupees '000) -----	
<b>32. FINANCE COST</b>		
Profit on long-term loan	9,150	-
Profit on short-term running musharakah	44,315	251,203
Profit on short-term Tijarah	47,798	8,812
Profit on short-term istisna	12,105	11,095
Mark-up on short-term running finance	67,237	132,018
	<b>180,605</b>	<b>403,128</b>

### 33. TAXATION - NET

Current - for the year	172,608	129,182
- for prior years	-	(4,592)
Deferred - net	3,126	(1,557)
	<b>175,734</b>	<b>123,033</b>

**33.1** Tax charge for the year ended March 31, 2021 represents minimum tax and FTR tax payable under the Income Tax Ordinance, 2001, and for this reason, relationship between tax expense and accounting profit has not been presented.

### 34. EARNINGS PER SHARE (EPS)

Earning / (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:

	2021	2020
	----- (Rupees '000) -----	
Profit / (loss) after taxation attributable to ordinary shareholders	<b>84</b>	<b>(558,911)</b>
	----	----
	---- (Number of shares) ----	
Weighted average number of ordinary shares outstanding during the year	<b>7,768,618</b>	<b>7,768,618</b>
	----- (Rupees) -----	
Profit / (loss) per share (EPS)	<b>0.01</b>	<b>(71.94)</b>

**34.1** A diluted loss per share has not been presented as the Group does not have any convertible instruments in issue as at March 31, 2021 and 2020 which would have any effect on the loss per share if the option to convert is exercised.

## 35. DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

### 35.1 Defined benefit plan - Staff retirement gratuity plan

As mentioned in note 4.15, 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, 2021 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.

	2021		2020	
	Exide	ABCL	Exide	ABCL
i) Valuation discount rate	10.25%	10.25%	9.50%	9.50%
ii) Salary increase rate	10.25%	10.25%	9.50%	9.50%
iii) Expected rate of return on plan assets	10.25%	10.25%	9.50%	9.50%
iv) 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.

**35.2 The amount recognised in the consolidated statement of financial position is determined as follows:**

	Note	2021			2020		
		Exide	ABCL	Total	Exide	ABCL	Total
(Rupees '000)							
Present value of defined benefit obligation	35.3	37,201	2,261	39,462	37,223	3,274	40,497
Less: fair value of plan assets	35.3	(54,292)	(5,285)	(59,577)	(51,605)	(5,929)	(57,534)
		(17,091)	(3,024)	(20,115)	(14,382)	(2,655)	(17,037)

**35.3 Plan assets comprise of the following:**

	2021			
	(Rupees '000)	Percentage composition	(Rupees '000)	Percentage composition
	EXIDE		ABCL	
Debt instruments:				
Pakistan Investment Bonds	39,661	73%	2,266	43%
Term Finance Certificate	2,111	4%	-	-
Mutual funds	11,584	21%	2,321	44%
Equity instruments	270	1%	239	5%
Cash at bank	667	1%	459	9%
	54,293	100%	5,285	100%

	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%

	2021						
	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 in '000)						
As at April 1	37,223	(51,605)	(14,382)	3,274	(5,929)	(2,655)	(17,037)
Current service cost	5,956	-	5,956	173	-	173	6,129
Interest expense / (income)	3,219	(4,642)	(1,423)	242	(494)	(252)	(1,675)
Past service cost	-	-	-	-	-	-	-
	46,398	(56,247)	(9,849)	3,689	(6,423)	(2,734)	(12,583)
Remeasurements:							
- Return on plan assets, excluding amounts included in interest expense	-	-	-	-	-	-	-
- Gain from change in demographic / financial assumptions	-	-	-	-	-	-	-
- Experience adjustment	(3,572)	(3,519)	(7,091)	34	(324)	(290)	(7,381)
	(3,572)	(3,519)	(7,091)	34	(324)	(290)	(7,381)
Contribution	-	(151)	(151)	-	-	-	(151)
Benefit payments	(5,625)	5,625	-	(1,462)	1,462	-	-
As at March 31	37,201	(54,292)	(17,091)	2,261	(5,285)	(3,024)	(20,115)



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 in '000)						

As 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 amounts included in interest income	-	-	-	-	-	-	-
- 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	-	-
As at March 31	37,223	(51,605)	(14,382)	3,274	(5,929)	(2,655)	(17,037)

**35.4** Based on the un-audited financial information of the provident and gratuity funds ('the Funds') as at March 31, 2021, 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.

2021			2020		
Exide	ABCL	Total	Exide	ABCL	Total
(Rupees '000)					

**35.5 Charge for defined benefit plan**

Current service cost	5,956	173	6,129	4,808	69	4,877
Interest expense	(1,423)	(252)	(1,675)	(3,156)	(518)	(3,674)
Past service cost	-	-	-	-	-	-
	4,533	(79)	4,454	1,652	(449)	1,203

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

2021					
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			in percentage		
(Rupees in '000)			(Rupees in '000)		

Discount rate	1.0%	(2,925)	2,239	1.0%	(122)	138
Salary increase rate	1.0%	2,779	(2,050)	1.0%	67	(58)
Withdrawal rate	10.0%	506	543	10.0%	4	(3)

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	36,695	36,658	2,265	2,257
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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 in '000) -----			in percentage ----- (Rupees in '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
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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.

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

As at March 31, 2021

Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
(Rupees '000)				

Exide Pakistan Limited	4,373	8,899	7,325	86,037	106,634
Automotive Batteries Company Limited	538	49	727	3,825	5,139
Total	4,911	8,948	8,052	89,862	111,773

2021	2020	2019	2018	2017
(Rupees '000)				

### 35.8 Historical information

Defined benefit obligation - Exide	37,201	37,223	36,232	34,956	33,668
Defined benefit obligation - ABCL	2,261	3,274	3,170	13,109	15,508
	39,462	40,497	39,402	48,065	49,176
Fair value of plan assets - Exide	(54,292)	(51,605)	(57,015)	(59,230)	(62,492)
Fair value of plan assets - ABCL	(5,285)	(5,929)	(7,073)	(15,739)	(18,042)
	(59,577)	(57,534)	(64,088)	(74,969)	(80,534)
Surplus	(20,115)	(17,037)	(24,686)	(26,904)	(31,358)
Remeasurement (gain) / loss on obligation - Exide	(3,572)	(3,236)	(2,175)	1,176	11,479
Remeasurement (gain) / loss on obligation - ABCL	34	365	(595)	(2,006)	2,211
	(3,538)	(2,871)	(2,770)	(830)	13,690
(Gain) / Loss on plan assets - Exide	(3,519)	8,444	3,979	2,434	(4,180)
(Gain) / Loss on plan assets - ABCL	(324)	1,332	994	1,339	1,924
	(3,843)	9,776	4,973	3,773	(2,256)



**35.9** 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. 3.651 million and decrease by Rs. 0.182 million for Exide and ABCL respectively as per the actuarial valuation report of the Group as of March 31, 2021.

**35.10** The disclosures made in notes 35.1 to 35.9 are based on the information included in the actuarial valuation report of the Group as of March 31, 2021.

**35.11 Defined contribution plan - provident fund**

An amount of Rs 9.229 million (2020: Rs 9.340 million) has been charged during the year in respect of contributory provident fund maintained by the Group.

**36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief Executive		Directors		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
(Rupees '000)								
<b>Short-term employee benefits</b>								
Managerial remuneration	4,024	3,959	8,938	8,588	36,747	24,267	49,709	36,814
Bonus	-	-	-	-	1,332	2,050	1,332	2,050
Leave pay	-	26	238	236	671	595	909	857
Housing, utilities and reimbursable expenses	13	-	2,601	2,478	10,447	11,802	13,061	14,280
Medical expenses	402	396	894	845	3,660	2,430	4,956	3,671
<b>Retirement benefits</b>								
Defined benefit plan	-	-	120	114	341	598	461	712
Defined contribution plan	-	-	288	274	823	1,083	1,111	1,357
	<b>4,439</b>	<b>4,381</b>	<b>13,079</b>	<b>12,535</b>	<b>54,021</b>	<b>42,825</b>	<b>71,539</b>	<b>59,741</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>12</b>	<b>12</b>	<b>17</b>	<b>15</b>

**36.1** The chief executive and directors 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.

**36.2 Remuneration to other directors**

Aggregate amount charged in the consolidated financial statements for fee to directors was Rs 0.25 million (2020: Rs 0.14 million).

**37. 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	
	2021	2020	2021	2020
(Rupees '000)				
<b>Transactions with key management personnel:</b>				
- Sales	3,254	-	-	-
- Salaries	17,110	20,291	-	-
- Receipts of loan	-	90,000	-	-
- Repayment of loan	7,000	285,000	-	-
- Assets classified as held for sale	-	-	552,015	-
- Defined benefit plan - post employment benefits	120	114	-	-
- Defined contribution plan	288	274	-	-
Expenses charged in respect of staff contribution plan	-	-	9,229	9,340
Expenses charged in respect of staff defined benefit plan	-	-	4,454	1,203



**37.1** 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

**37.2** 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 36 to these consolidated financial statements.

**37.3** 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.

**37.4** Particulars of transactions with staff retirement benefit plans are disclosed in note 35. to these consolidated financial statements.

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

### **38. 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 (2020: 33,000 MT) per annum whereas actual production during the year was 24,765 MT (2020: 26,782 MT).

### **39. CASH GENERATED FROM OPERATIONS**

Profit / (loss) before taxation

#### **Adjustments:**

	Note	2021 ------(Rupees '000)-----	2020
Profit / (loss) before taxation		175,818	(435,878)
Depreciation	5.3	141,458	152,855
Amortisation	5.3	775	8,106
Gain on disposal of property, plant and equipment	30	(2,312)	(153,296)
Provision against slow moving and obsolete stores and spares	31	2,386	3,093
Provision against doubtful trade debts - net	31	7,580	6,900
Provision against slow moving and obsolete stock-in-trade	31	806	955
Charge of gratuity provision	12.1	4,454	-
Provision for Workers Welfare Fund	32	3,586	-
Amortisation of government grant	30	(5,928)	-
Finance cost	32	180,605	403,128
Working capital changes	39.1	(99,104)	1,522,811
		<b>410,124</b>	<b>1,508,674</b>

	Note	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
<b>39.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores and spares		3,770	573
Stock-in-trade		(868,304)	294,402
Trade debts		813,446	386,747
Loans and advances		(42,625)	(4,540)
Trade deposits, prepayments and other receivables		(9,802)	21,270
		<b>(103,515)</b>	<b>698,452</b>
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		4,411	824,418
		<b>(99,104)</b>	<b>1,522,870</b>

#### 40. 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	2021 ----- (Rupees '000) -----	2020 ----- (Rupees '000) -----
Cash and bank balances	13	94,228	140,255
Short-term borrowings	24	(2,004,474)	(2,345,284)
		<b>(1,910,246)</b>	<b>(2,205,029)</b>

#### 40.1 Reconciliation of liabilities arising from financing activities

	As at March 31, 2020	Non-cash changes	Cash flows	As at March 31, 2021
	----- (Rupees '000) -----			
Long term loan	221,894	-	(28,313)	193,581
SBP Refinance Scheme for salaries and wages	-	-	262,238	262,238
Loan from director	111,275	-	(7,000)	104,275
Total liabilities from financing activities	<b>333,169</b>	<b>-</b>	<b>226,925</b>	<b>560,094</b>

#### 41. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

		Batteries		Chemicals and solar		Group	
		2021	2020	2021	2020	2021	2020
Note		(Rupees '000)					
Net Sales	26	11,125,834	8,186,556	589,738	535,727	11,715,572	8,722,283
Cost of sales	27	(10,024,264)	(7,504,906)	(523,557)	(490,258)	(10,547,821)	(7,995,164)
Gross profit		1,101,570	681,650	66,181	45,469	1,167,751	727,119
Selling and distribution expenses	28	(640,952)	(728,089)	(45,261)	(29,851)	(686,213)	(757,940)
Administration and general expenses	29	(126,713)	(113,078)	(3,531)	(3,340)	(130,244)	(116,418)
Other income	30	4,375	3,144	-	-	4,375	3,144
Unallocated other income	42.7	-	-	-	-	34,248	163,416
						38,623	166,560
Unallocated other operating charges	41.7 & 31.	-	-	-	-	(33,494)	(52,011)
Operating profit / (loss)		338,280	(156,373)	17,389	12,278	356,423	(32,690)
41.1	Segment assets	6,177,761	6,127,211	327,460	400,964	6,505,221	6,528,175
41.2	Unallocated assets					1,159,224	1,842,704
						7,664,445	8,370,879
41.3	Segment liabilities	358,422	320,173	13,324	14,194	371,746	334,367
41.4	Unallocated liabilities					3,219,301	4,233,059
						3,591,047	4,567,426
41.5	Capital expenditure	71,959	54,965	3,814	3,597	75,773	58,562
41.6	Depreciation expense	134,337	143,467	7,121	9,388	141,458	152,855
41.7	Certain liabilities, assets, other income and other operating charges of the Group cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.						

#### 42. FINANCIAL INSTRUMENTS BY CATEGORY

##### 42.1 Financial assets and financial liabilities

###### Financial assets

###### At amortised cost

	2021	2020
(Rupees '000)		
Loans and advances	80,962	31,511
Long-term deposits	42,039	42,480
Trade debts	2,333,976	3,155,002
Trade deposits and other receivables	38,406	20,390
Cash and bank balances	94,228	140,255
	2,589,611	3,389,638



**Financial liabilities****Financial liabilities at amortised cost**

	2021	2020
	----- (Rupees '000) -----	
Trade and other payables	1,080,246	1,068,129
Unclaimed dividend	5,873	5,873
Accrued mark-up	41,843	98,936
Long term loan	193,581	221,894
SBP Refinance Scheme	262,238	-
Loan from Director	104,275	111,275
Short-term borrowings	2,004,474	2,345,284
	<b>3,692,530</b>	<b>3,851,391</b>

**43. 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.

**43.1 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. 2,417.725 million (2020: Rs. 3,379.636 million).

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 (2020: 15) customers which constitute 42% (2020: 34%) of the Group's trade debts.

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

	2021	2020
	----- (Rupees '000) -----	
<b>Due from customers</b>		
Direct customers	192,827	142,158
Distributors	2,224,898	3,089,013
	<b>2,417,725</b>	<b>3,231,171</b>

Out of Rs 2,417.725 million (2020: Rs 3,231.171 million), the Group has provided Rs 83.749 million (2020: Rs 76.169 million) as amounts being doubtful.

## 43.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its 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 43.3.2 of these consolidated financial statements.

## 43.3 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.

### 43.3.1 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, Japanese Yen, GB Pounds, Euro and AED. 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:

	2021	2020
	----- (Amount' 000) -----	
<b>Bills payable</b>		
US Dollar	1,135	704
Japanese Yen	28,894	-
GB Pound	12	-
Euro	28	70
AED	905	70

As at March 31, 2021, if the Pakistani Rupee had weakened / strengthened by 1% against US Dollar, Japanese Yen, GB Pound, Euro and AED with all other receivables held constant, profit before taxation for the year would have been lower / higher by Rs 2.65 million (2020: loss before taxation Rs 1.165 million).

### 43.3.2 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, 2021, with all other variables held constant, the net assets and profit before taxation for the year would have been lower / higher by Rs 21.981 million (2020: loss before taxation Rs 24.442 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, 2021 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.



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

2021							
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 upto one year	Maturity after one year	Sub-total	

(Rupees '000)

#### On balance sheet financial instruments

##### Financial assets

##### Amortised cost

Loans and advances	-	-	-	73,645	7,317	80,962	80,962
Long-term deposits	-	-	-	-	42,039	42,039	42,039
Trade receivables	-	-	-	2,333,976	-	2,333,976	2,333,976
Trade deposits and other receivables	-	-	-	38,406	-	38,406	38,406
Cash and bank balances	-	-	-	94,228	-	94,228	94,228
	-	-	-	2,540,255	49,356	2,589,611	2,589,611

##### Financial liabilities

##### Financial liabilities at amortised cost

Trade and other payables	-	-	-	1,080,246	-	1,080,246	1,080,246
Unclaimed dividend	-	-	-	5,873	-	5,873	5,873
Accrued profit / mark-up	-	-	-	41,843	-	41,843	41,843
Long term loan	Kibor + 1	113,250	80,331	193,581	-	-	193,581
SBP Refinance Scheme for salaries and wages	3	137,517	124,719	262,236	-	-	262,236
Loan from Director	-	-	-	104,275	-	104,275	104,275
Short-term borrowings	7.96 - 9.96	2,004,474	-	2,004,474	-	-	2,004,474
		2,255,241	205,050	2,460,291	1,232,237	-	1,232,237
		(2,255,241)	(205,050)	(2,460,291)	1,308,018	49,356	1,357,374
							(1,102,917)

#### On balance sheet gap

##### Off-balance sheet financial instruments

Commitments in respect of capital expenditure	-	-	-	4,636	-	4,636	4,636
Commitments in respect of Letter of credit	-	-	-	886,542	-	886,542	886,542
Outstanding bank guarantees	-	-	-	114,789	-	114,789	114,789
	-	-	-	1,005,967	-	1,005,967	1,005,967

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 upto one year	Maturity after one year	Sub-total	

(Rupees '000)

#### On balance sheet financial instruments

##### Financial assets

##### Loans and receivables

Loans and advances	-	-	-	31,020	491	31,511	31,511
Long-term deposits	-	-	-	-	42,480	42,480	42,480
Trade debts	-	-	-	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
Accrued profit / mark-up	-	-	-	98,936	-	98,936	98,936
Lease liability	-	-	-	-	-	-	-
Long term loan	Kibor + 1	84,938	136,956	221,894	-	-	221,894
Loan from Director	-	-	-	111,275	-	111,275	111,275
Short-term borrowings	11.14 - 15.73	2,345,284	-	2,345,284	-	-	2,345,284
		2,430,222	136,956	2,567,178	1,284,213	-	1,284,213
		(2,430,222)	(136,956)	(2,567,178)	2,062,454	42,971	2,105,425
							(461,753)

#### On balance sheet gap

##### 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



### 43.3.3 Price risk

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

### 43.4 Fair value of financial instruments

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

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

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

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

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

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

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

- 43.4.1** 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.

## 44. 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.

	2021	2020
	----- (Rupees '000) -----	
Total debts	2,553,134	2,678,453
Less: Cash and bank balances	(94,228)	(140,255)
Net debts	2,458,906	2,538,198
Total equity	3,807,923	3,802,598
Total equity and debt	6,266,829	6,340,796
Gearing ratio	39.24%	40.03%

#### 45. NUMBER OF EMPLOYEES

##### 45.1 Number of employees at March 31

- Permanent
- Contractual

2021	2020
----- (Number) -----	
308	325
35	29
343	354

This includes 193 (2020: 202) number of factory employees

##### 45.2 Average number of employees during the year

- Permanent
- Contractual

316	334
32	30
348	364

This includes 186 (2020: 191) number of factory employees

#### 46. 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 amounting to Rs. 1,326,403 (2020: Rs. 1,465,952) - refer note 24
- (ii) Profit paid on Islamic modes of financing Rs. 104,218 (2020: 271,110) - refer note 32
- (iii) Profits earned or interest paid on any conventional loans, deposits or advances - Rs. 76,387 (2020: Rs. 132,018) refer note 32.

#### 47. 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.

#### 48. IMPACT OF COVID-19

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 average monthly sales by 91% and 36% in the month of April and May, 2020 respectively. 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 consolidated financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9, 'Financial Instruments';
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of non financial assets';
- the net realisable value of inventory under IAS 2, 'Inventories';
- deferred tax assets in accordance with IAS 12, 'Income taxes';
- provisions and contingent liabilities under IAS 37, including onerous contracts; and
- going concern assumption used for the preparation of these consolidated financial statements.

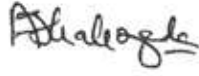
According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these consolidated financial statements.

#### 49 **DATE OF AUTHORISATION**

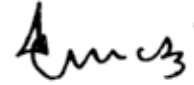
These consolidated financial statements were authorised for issue on June 30, 2021 by the Board of Directors of the Group.



**Altaf Hashwani**  
Chairman



**Arshad Shehzada**  
Chief Executive Officer



**S. Haider Mehdi**  
Chief Financial Officer



## Pattern of Shareholding

As on 31 March 2021

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	From	To		
1172	1	100	35797	0.4608
428	101	500	115191	1.4828
162	501	1000	119848	1.5427
130	1001	5000	264766	3.4081
8	5001	10000	51700	0.6655
2	10001	15000	24100	0.3102
1	15001	20000	16104	0.2073
1	20001	25000	20300	0.2613
2	45001	50000	98899	1.2731
1	105001	110000	105540	1.3585
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
1914	Company Total		7768618	100.0000

## Categories of Shareholders

As on 31 March 2021

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO, & CHILDREN	11	5869251	75.5508
NIT & ICP	2	165	0.0021
BANKS, DFI & NBF	2	329	0.0042
INSURANCE COMPANIES	1	427499	5.5029
MUTUAL FUNDS	3	519524	6.6875
GENERAL PUBLIC (LOCAL)	1814	625676	8.0539
GENERAL PUBLIC (FOREIGN)	54	28779	0.3705
OTHERS	19	182086	2.3439
JOINT STOCK COMPANIES	3	76	0.0010
FOREIGN COMPANIES	3	114623	1.4755
CHARITABLE TRUST	1	12	0.0002
MODARABAS	1	598	0.0077
<b>Company Total</b>	<b>1914</b>	<b>7768618</b>	<b>100.0000</b>

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
000000001944	MR QUAID JOHAR UDAIPURWALA	001	500	0.0064
003277005882	ARIF HASHWANI	001	4300	0.0554
003277007548	HUSSAIN HASHWANI	001	1250601	16.0981
003277007974	ALTAF HASHWANI	001	1412944	18.1878
003277012059	ARSHAD SHAHZADA	001	13	0.0002
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	30	0.0004
003889000028	NATIONAL BANK OF PAKISTAN	004	299	0.0038
002683000023	STATE LIFE INSURANCE CORP. OF PAKISTAN	005	427499	5.5029
003277004962	FIRST ALNOOR MODARABA	006	1500	0.0193
012120000028	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	006	7300	0.0940
014902000021	CDC - TRUSTEE NATIONAL INVESTMENT (UNT) TRUST	006	510724	6.5742
000000000417	KHADIM ALI SHAH BUKHARI & CO	010	68	0.0009

## Categories of Shareholders

As on 31 March 2021

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	105540	1.3585
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
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
003277103742	KHOJA (PIRHAI) SHIA ISNA ASHARI JAMAT	010	2	0.0000
003525057191	SARFRAZ MAHMOOD (PRIVATE) LTD	010	100	0.0013
003525064045	NH CAPITAL (PRIVATE) LIMITED	010	29	0.0004
003525087235	MAPLE LEAF CAPITAL LIMITED	010	1	0.0000
005736000015	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	010	9	0.0001
010629245202	PLOUTOS CONSULTING (PRIVATE) LIMITED	010	4000	0.0515
011692000021	ABA ALI HABIB SECURITIES (PVT) LIMITED	010	60	0.0008
015578000021	BAWANY SECURITIES (PVT) LIMITED	010	300	0.0039
016857000026	MRA SECURITIES LIMITED - MF	010	2200	0.0283
017004000027	FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	010	100	0.0013
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



# 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 Eight Annual General Meeting of the Company to be held on July 29, 2021 and at any adjourn-  
ment thereof.

Signature this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

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 29 جولائی 2021 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 \_\_\_\_\_ 2021 کو درج ذیل گواہان کی موجودگی میں دستخط کئے گئے۔

۱۔ دستخط \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

CNIC یا پاسپورٹ نمبر \_\_\_\_\_

۲۔ دستخط \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

CNIC یا پاسپورٹ نمبر \_\_\_\_\_

فولیو/ CDC اکاؤنٹ نمبر

10/- روپے کے ریونیو 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 ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونہ کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کے پاس جمع کرانا ضروری ہے۔

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A PUBLIC SERVICE MESSAGE BY

# EXIDE



عام فرد (ماسک)

Healthy Contact (With Mask)

منتقلی کا امکان 70 فیصد ہوتا ہے۔

Transmission probability is 70%



کوویڈ-19 مریض (بغیر ماسک)

COVID 19 Carrier (Without Mask)



عام فرد (بغیر ماسک)

Healthy Contact (Without Mask)

منتقلی کا امکان 5 فیصد ہوتا ہے۔

Transmission probability is 5%



کوویڈ-19 مریض (ماسک)

COVID 19 Carrier (With Mask)



عام فرد (ماسک)

Healthy Contact (With Mask)

منتقلی کا امکان 1.5 فیصد ہوتا ہے۔

Transmission probability is 1.5%



کوویڈ-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

