

ADOS PAKISTAN LIMITED

REPORT ON FIRST QUARTER ENDED SEPTEMBER 30, 2020



COMPANY INFORMATION

CHIEF EXECUTIVE OFFICER

Mr. Zia Akbar Ansari

DIRECTORS

Mr. Zia Akbar Ansari
Mrs. Shooabarna Zia
Mr. Shehryar Akbar Ansari
Mr. Asfandiyar Akbar Ansari
Mr. Bakhtiyar Akbar Ansari
Mrs. Aylin Ansari
Ms. Aysha Masood
Ms. Suboohi
Mr. Muhammad Fahd Shafi

COMPANY SECRETARY

Ms. Sabina Ansari

CHIEF FINANCIAL OFFICER

Mr. Ali Imran Haider Bokhari

AUDIT COMMITTEE

Mr. Muhammed Fahd Shafi - Member
Mrs. Aylin Ansari- Member
Ms. Suboohi - Member

HUMAN RESOURCE COMMITTEE

Mrs. Shooabarna Zia – Member & Chairperson
Ms. Suboohi Ansari – Member & Secretary
Ms. Aysha Masood - Member
Mrs. Aylin Ansari - Member
Mr. Muhammad Fahd Shafi - Member

AUDITORS

Grant Thornton Anjum Rahman
Chartered Accountants

BANKERS

Samba Bank Limited, Building 13-T, F-7,
Islamabad.

Dubai Islamic Bank Pakistan Limited,
Roshan Center, Plot 78-W, Jinnah Avenue,
Blue Area, Islamabad.



BANKERS

MCB Bank Ltd. (formerly NIB Bank Limited)
Fazal-e-Haq Road, Blue Area, Islamabad.

Bank Alfalah Limited,
Awan Arcade, Blue Area, Islamabad.

BankIslami Pakistan Limited
5-6, Chanab Center, Block 104-E, Jinnah
Avenue, Blue Area Islamabad.

National Bank of Pakistan, F-8 Markaz,
Islamabad.

Bank of Khyber. Blue Area, Islamabad
Bank of Khyber, Hattar Industrial Zone, Hattar.

Al-Baraka Bank (formerly Burj Bank
Limited, F-8 Markaz, Islamabad).

LEGAL ADVISORS

Samad Law Associates, Samad Chambers, 1st
Floor, G-253/A, Lquat Road, Rawalpindi.

REGISTERED OFFICE

2nd Floor, FJ Plaza, Block 2, College Road,
Markaz F-7, Islamabad.
Tel # 92-51-2651365 & 92-51-2651701
Fax # 92-51-2651702

SHARE REGISTRAR / TRANSFER AGENT

JWAFFS Registrar Services (Private) Limited,
407-408, Al Ameera Center, Shahrah-e-Iraq,
Saddar, Karachi.
Tel # 92-21-5662023-24
Fax: + 92 21 35221192

FACTORY(S)

Plot # 43, Phase III, Hattar Industrial Estate,
Khyber Pakhtunkhwa. Tel # 92-995-617192 &
617364, Fax # 92-995-617193.

DIRECTOR'S REPORT TO THE MEMBERS

Gentlemen,

The director of the company take pleasure in placing before you the condensed interim financial statements for the first quarter ended September 30, 2020.

1. The management wants to state that the loss for the quarter ended September 30, 2020 amounting to Rs. 129,688/- is due to weak turnover and low gross profitability.
2. As stated in annual report, ADOS Pakistan still holds a significant market share with big E&P firms, however, due to the nation's current financial situation, aggravated due to COVID-19 pandemic, E&P firms have not been honoring payment terms, which leads many aged invoices. These delayed payments incur additional costs for ADOS and result in cash flow gaps. We have been working closely with all clients to ensure that current receivables are settled in order to reduce cash flow gaps.
3. As stated before, the Pakistani Oil & Gas industry experienced a recession like situation since 2017-18 due to recession in oil and gas industry worldwide. Our cost reduction activities have improved our ability to manage cash flows with reduced sales volumes. We have also faced dumping activities by foreign firms for supply contracts with state owned companies, ADOS Pakistan is also pursuing matters relating to enforcement of anti-dumping tools in order to protect local firms and ensure fair competition.
4. In view of the losses for the validity of the going concern assumption is dependent upon the ability of the Company to generate sufficient cash flow from its operation as forecasted, the recovery of tax refundable from Government as well as the continuing financing support from the major shareholders (directors) to the Company to enable the Company to continue as a going concern. In financial year 2019-20 the management of the company has executed the plan to perform cost reduction activities, increasing sales from existing customers & addition of new customers, increasing revenue sources, focused on securing orders which have a low working capital requirement along with lower turnaround times. The exact details of said plans have been shared in the directors' report for financial year 2018-19. This plan has proven to be successful, as a result of which the Company has reduced its loss for the year by a substantial amount, despite the current COVID crisis and resulting Oil & Gas crisis being faced globally. However, the combination of the current COVID crisis and global oil crisis has led to a drastic reduction in the drilling activities being conducted in Pakistan. As ADOS manufacturer's products for Pakistan based E&Ps, the performance of the company directly correlates with the exploration activity in the country. Furthermore, protections provided to local manufacturers have slowly been withdrawn, and foreign suppliers who receive export rebates up to 18% are dumping goods in Pakistan at the expense of the local industry. We have taken up the matter with the relevant authorities, and the future growth in sales of the company is dependent on external factors. Additionally, large clients such as ENI & Weatherford have announced their departure from the Pakistan market; this will have a negative impact on sales as well. The management is actively exploring opportunities to utilize the existing capability to service other industries/markets. The management is putting forth its best efforts in-order to survive in these unforeseeable circumstances.
5. The management has decided not to pay dividend for the first Quarter ended September 30, 2020 keeping in view future cash flow requirements of the company.

6. The management fully intends to comply with the requirement of Director's training program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019 as required under section 19 of Chapter VI.

The Directors' takes this opportunity to thank the management, workers principal sponsors, bankers and to the most the shareholders for their endless cooperation and support.

For and on behalf of the Board



ZIA AKBAR ANSARI

CHIEF EXECUTIVE OFFICER & DIRECTOR

Islamabad, October 29, 2020

ڈائریکٹر رپورٹ برائے ممبران

حضرات:

کمپنی کے ڈائریکٹرز پہلے تین ماہ یعنی مورخہ 30 ستمبر 2020 تک کی عبوری مالی سٹیٹمنٹ پیش کرتے ہیں۔

۱۔ انتظامیہ یہ بتانا چاہتی ہے کہ پہلے تین ماہ یعنی 30 ستمبر 2020 تک کام منافع مبلغ -129,688 روپے کے ہیں جس کی وجہ کم فروخت کا حجم اور کم منافع ہیں۔

۲۔ جیسا پہلے سالانہ رپورٹ بیان کیا گیا ہے آڈوس پاکستان کے پاس ابھی بھی بڑی ای اور پی فرم کے ساتھ اہم حصص ہے قومی مالی حالات جو کہ COVID-19 عالمی وبا کی وجہ سے ادائیگی کی شرائط کا احترام نہیں کیا گیا جس میں ای اور پی فرم کی طرف سے بہت سی تاخیری رسیدیں ہیں۔ انہی تاخیری رسیدوں کی وجہ سے آڈوس کے کیش فلو میں خلاء آیا ہے ہم اپنے تمام گاہکوں کے ساتھ کام کر رہے ہیں تاکہ بقایا جات ادا ہوں اور ریکش فلو کی خلاء کو کم کیا جائے۔

۳۔ جیسا پہلے بیان کیا گیا ہے پاکستان تیل اور گیس صنعت نے 2017-2018 سے خسارے کا تجربہ کر رہی ہے ہماری اخراجات میں کمی کی سرگرمیوں نے فروخت میں کم مقدار کے ساتھ نقد بہاؤ کو منظم کرنے کی ہماری صلاحیت کو بہتر بنایا ہے۔ ہمیں سرکاری کمپنوں کے ساتھ فراہمی کے معاہدوں کے لیے غیر ملکی فرم کی جانب سے ڈمپنگ سرگرمیوں کا سامنا کیا ہے۔ آڈوس پاکستان نے فیصلہ کیا ہے کہ وہ نیشنل ٹیریف کمیشن کے ساتھ مل کر شکایت کریں گے اینٹی ڈمپنگ آلات کے خلاف ایکشن لیں اور مقامی فرم کو براہ مقابلے کے لیے یقینی بنائے۔

۴۔ کمپنی کے متوقع نقصانات کا تخمینہ ایک اندازے پر متعین کیا گیا ہے جس سے پتہ چلتا ہے کہ کمپنی کا کیش فلو کتنا متوقع ہے اور اس متوقع کیش فلو میں سے گورنمنٹ سے کتنے قابل واپسی ٹیکس کی وصولی ہوگی اور حصص یافتگان (ڈائریکٹرز) کی طرف سے کتنی مالی معاونت ہوگی، جس سے کمپنی کے معاملات چلائے جاسکتے ہیں۔ لاگت کم کرنے کیلئے اقدامات کرنے، موجودہ گاہک صاحبان کو فروخت بڑھانے، نئے گاہک بنانے، آمدن کے وسائل بڑھانے، اُن آرڈرز کو لینے پر توجہ مرکوز رکھنے، جن میں سرمایہ کم لگتا ہے اور جن کا ٹرن اراؤنڈ ٹائم بھی کم ہے، کی بابت مالی سال 2019-2020 میں کمپنی کی انتظامیہ نے ایک پلان تشکیل دیا۔ مذکورہ پلان کی اصل تفصیل ڈائریکٹرز کی رپورٹ برائے مالی سال 2018-19 میں دی جا چکی ہے۔ یہ پلان کامیاب ثابت ہوا جس کے نتیجہ میں موجودہ COVID19 اور تیل و گیس کے بحران جس نے پوری دنیا کو اپنی پلیٹ میں لیا ہوا ہے، کے باوجود بھی کمپنی کو سال میں خاطر خواہ کم نقصان ہوا تاہم، موجودہ کوویڈ 19 بحران اور عالمی سطح پر تیل کے بحران کے امتزاج کی وجہ سے پاکستان میں ہونے والی سوراخ کرنے والی سرگرمیوں میں زبردست کمی واقع ہوئی ہے۔ بطور ای ڈی او ایس کارخانہ دار کی مصنوعات پاکستان پر بنی ای اینڈ پی ایس کے لئے، کمپنی کی کارکردگی براہ راست ملک میں تلافی سرگرمی سے منسلک ہے۔ مزید برآں، مقامی مینوفیکچررز کو فراہم کی جانے والی حفاظت آہستہ آہستہ واپس لے لی گئی ہے، اور غیر ملکی سپلائرز جو 18 فیصد تک برآمد میں چھوٹ وصول کرتے ہیں وہ مقامی صنعت کی قیمت پر پاکستان میں سامان پھینک رہے ہیں۔ ہم نے یہ معاملہ متعلقہ حکام کے ساتھ اٹھایا ہے، اور کمپنی کی فروخت میں مستقبل میں اضافے کا انحصار بیرونی عوامل پر ہے۔ مزید برآں، ENI اور Weatherford جیسے بڑے مؤکلوں نے پاکستان مارکیٹ سے علیحدگی کا اعلان کیا ہے، اس کا فروخت پر بھی منفی اثر پڑے گا۔ انتظامیہ موجودہ صلاحیتوں کو دیگر صنعتوں/منڈیوں کی خدمت کے لئے استعمال کرنے کے لئے سرگرمی سے تلاش کر رہی ہے۔ انتظامیہ ان غیر متوقع حالات میں اپنی سرگرمیاں جاری رکھنے کے لئے اپنی بہترین کوششیں کر رہی ہے۔

۵۔ انتظامیہ نے یہ فیصلہ کیا ہے کہ وہ پہلے تین ماہ یعنی مورخہ 30 ستمبر 2020 تک کی آمدن / حصہ نہیں دے گی تاکہ مستقبل میں کمپنی کیلئے درکار رقم استعمال کی جاسکے۔

۶۔ انتظامیہ ڈائریکٹر کے ٹریننگ پروگرام کیلئے requirements پر لسٹڈ کمپنیز ریگولیشن ۲۰۱۹ء کے سیکشن ۱۹ اور مضمون VI کے مطابق عمل کرنا چاہتی ہے۔

ڈائریکٹر صاحبان انتظامیہ، ملازمین، پریپل سپانسرز، بینکرز اور حصہ داران کے بھرپور تعاون پر شکرگزار ہیں۔



ضیاء اکبر انصاری
چیف ایگزیکٹو آفیسر و ڈائریکٹر


اسلام آباد 29 اکتوبر 2020

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

			Unaudited	Audited
	Note		September 30, 2020	June 30, 2020
			-----Rupees-----	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	4		38,090,655	39,327,195
Right of use asset	5		12,778,348	14,213,848
Intangible assets			1,288,143	1,355,940
Long term loans and advances			251,172	286,172
Long term deposits			400,000	400,000
Deferred taxation			-	-
			52,808,318	55,583,155
CURRENT ASSETS				
Stores, spares and loose tools			-	-
Stock in trade			57,294,108	57,294,108
Trade debts	6		11,731,717	11,261,654
Advances			862,048	577,119
Trade deposits and short term prepayments			1,733,955	2,682,621
Accrued interest on saving accounts			749	3,688
Tax refunds due from the Government			136,411,321	135,880,809
Cash and bank balances			6,000,737	1,697,333
			214,034,635	209,397,332
TOTAL ASSETS			266,842,953	264,980,487
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Authorized share capital			70,000,000	70,000,000
7,000,000 (June 30, 2019: 7,000,000) ordinary shares of Rs. 10 each				
Issued, subscribed and paid up share capital			65,826,000	65,826,000
Revenue reserve-unappropriated profit/(loss)			(46,572,363)	(46,442,675)
			19,253,637	19,383,325
LIABILITIES				
NON-CURRENT LIABILITIES				
Employees' benefit obligation			6,240,588	6,077,674
Lease liability	7		12,722,373	12,245,985
			18,962,961	18,323,659
CURRENT LIABILITIES				
Trade and other payables			44,906,288	43,125,707
Current portion of lease liability	7		3,459,824	3,459,824
Due to director	8		174,468,319	174,896,047
Profit payable on short term borrowings			-	-
Short term borrowings	9		-	-
Unclaimed dividend			5,791,925	5,791,925
			228,626,355	227,273,503
TOTAL EQUITY AND LIABILITIES			266,842,953	264,980,487
CONTINGENCIES AND COMMITMENTS				
	10			

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.


ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER


ZIA AKBAR ANSARI
CHIEF EXECUTIVE


ASFANDIYAR AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

		Three month period ended	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
Revenue-net		11,903,097	23,511,320
Cost of sales/services	11	(8,953,378)	(21,501,482)
Gross profit		2,949,719	2,009,838
Selling and distribution expenses	12	-	-
Administrative expenses		(9,402,382)	(5,414,671)
Other income	13	7,010,541	1,322,816
		(2,391,841)	(4,091,855)
Profit/(loss) from operations		557,878	(2,082,017)
Finance cost		(509,020)	(1,927,970)
Profit/(loss) before income tax		48,858	(4,009,987)
Taxation		(178,546)	(352,670)
(Loss) for the period		(129,688)	(4,362,657)
(Loss) per share - basic and diluted	14	(0.02)	(0.66)

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.



ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER



ZIA AKBAR ANSARI
CHIEF EXECUTIVE



ASFANDIYAR AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Three month period ended	
	September 30, 2020	September 30, 2019
	-----Rupees-----	
(Loss) for the period	(129,688)	(4,362,657)
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period	<u>(129,688)</u>	<u>(4,362,657)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.



ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER



ZIA AKBAR ANSARI
 CHIEF EXECUTIVE




ASFANDYAR AKBAR ANSARI
 DIRECTOR

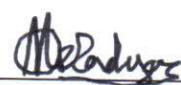
ADOS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before income tax	48,858	(4,009,987)
Adjustment for:		
Depreciation	2,747,039	1,711,989
Amortization	67,797	84,746
Provision for employees' benefit obligation	162,914	205,016
Interest income on banks	(5,123)	(10,988)
Interest on lease liability	476,388	-
Financial cost	-	1,927,970
(Gain) / loss on disposal of property, plant and equipment	-	(1,311,245)
	3,449,015	2,607,488
Operating loss before working capital changes	3,497,873	(1,402,499)
(Increase)/decrease in current assets		
Stock in trade	-	14,583,260
Trade debts	(470,063)	(16,032,817)
Advances	(284,929)	94,896
Trade deposits and short term prepayments	948,666	(4,294,675)
	193,674	(5,649,336)
Increase/(decrease) in current liabilities		
Trade and other payables	1,780,581	6,174,953
Profit payable on short term borrowings	-	1,903,512
Due to directors and associated company	(427,728)	433,050
Unclaimed dividend	-	-
Short term borrowings	-	-
	1,352,853	8,511,515
Cash generated from / (used in) operations	5,044,400	1,459,680
Profit paid on short term borrowings	-	(1,927,970)
Interest paid on lease liability	-	-
Tax withheld / paid	(709,058)	(970,258)
Profit realized on bank accounts	8,062	11,571
Long term loans and advances	35,000	26,000
Employees benefit obligations paid	-	-
	(665,996)	(2,860,657)
Net cash generated from / (used in) operating activities	4,378,404	(1,400,977)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(75,000)	-
Addition in intangible asset	-	-
Sale proceeds from disposal of property, plant and equipment	-	1,410,000
Net cash generated from / (used in) investing activities	(75,000)	1,410,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	-	-
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	4,303,404	9,023
Cash and cash equivalents at the beginning of the period	1,697,333	1,561,811
Cash and cash equivalents at the end of the period	6,000,737	1,570,834

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.


ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER


ZIA AKBAR ANSARI
CHIEF EXECUTIVE


ASFANDIYAR AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paid up share capital	Revenue reserves Unappropriated Profit/(loss)	Total
	-----Rupees-----		
Balance as at July 01, 2019	65,826,000	(19,139,623)	46,686,377
Comprehensive income for the period			
(Loss) for the three month period ended September 30, 2019	-	(4,362,657)	(4,362,657)
Other comprehensive income for the period	-	-	-
Balance as at September 30, 2019	65,826,000	(23,502,280)	42,323,720
Balance as at July 01, 2020	65,826,000	(46,442,675)	19,383,325
Comprehensive income for the period			
(Loss) for the three month period ended September 30, 2020	-	(129,688)	(129,688)
Other comprehensive income for the period	-	-	-
Balance as at September 30, 2020	65,826,000	(46,572,363)	19,253,637

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.



ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER



ZIA AKBAR ANSARI
CHIEF EXECUTIVE



ASFANDYAR AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**
1 LEGAL STATUS AND OPERATIONS

ADOS Pakistan Limited (the "Company") was incorporated in Pakistan under the Companies Ordinance, 1984 on March 5, 1986 as a Private Limited Company and was later on converted into Public Limited Company on April 4, 1989. The Company's registered office is situated at 2nd Floor, FJ-Plaza, Block 2, College Road, Markaz F-7, Islamabad. The geographical location of factory of the Company is Plot # 43, Phase III, Hattar Industrial Estate, Khyber Pukhtoonkhwa. Its shares are quoted on Pakistan Stock Exchange (PSX). The Company has been involved in the supply of oil and gas field related equipment, service for fabrication and refurbishment of equipment and supply of spare parts used in oil and gas industry. The Company is also engaged in fabrication of vehicles in respect of bullet proofing protection.

2 STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34: 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed interim financial information are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulation of Pakistan Stock Exchange. These condensed interim financial information do not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020. Comparative statement of financial position is extracted from annual audited financial statements as of June 30, 2020, whereas comparative condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information for the three month ended September 30, 2019.

3 SIGNIFICANTS ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Company for the year ended June 30, 2020.

4 PROPERTY, PLANT AND EQUIPMENT

Opening net book value
Additions during the period/ year
Disposal during the period/ year
-Cost
-Depreciation

Depreciation charged during the period / year
Closing net book value

Unaudited	Audited
September 31, 2020	June 30, 2020
-----Rupees-----	
39,327,195	46,026,125
75,000	180,102
-	(330,750)
-	173,264
-	(157,486)
(1,311,539)	(6,721,546)
38,090,655	39,327,195

5 RIGHT OF USE ASSET

Balance at beginning of the period/year
Right of use asset recognized on adoption of IFRS 16
Addition during the period / year
Depreciation charged during the period / year
Closing net book value

14,213,848	-
-	18,274,947
-	-
(1,435,500)	(4,061,099)
12,778,348	14,213,848

6 TRADE DEBTS - UNSECURED
Considered:

- good
- doubtful

Less: Provision for impairment in trade debts
Trade debts

11,731,717	11,261,654
75,439,595	80,172,824
87,171,313	91,434,478
(75,439,595)	(80,172,824)
11,731,717	11,261,654

ADOS PAKISTAN LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Unaudited September 31, 2020	Audited June 30, 2020
7 LEASE LIABILITY		
Balance at beginning of the period/year	15,705,809	-
Impact of initial application of IFRS 16	-	18,274,947
Interest accrued	476,388	2,215,862
Payment during the period/year	-	(4,785,000)
	<u>16,182,197</u>	<u>15,705,809</u>
Current portion grouped under current liabilities	(3,459,824)	(3,459,824)
Balance at the end of the period/year	<u>12,722,373</u>	<u>12,245,985</u>

8 DUE TO DIRECTOR

This include liabilities of the Company as on November 20, 2019 settled by director on behalf of the Company. Liabilities settled include short term running finance amounting to Rs 65,806,452, due to associated company amounting to Rs. 48,458,452 and trade creditor amounting to Rs. 56,135,675. This is unsecured, interest free and payable on demand.

9 SHORT TERM BORROWING

Short term borrowing facility represents karobar finance facility and import murabaha facility which is secured by ownership of karobar finance goods and 1st parri passu charge over present and future current and fixed assets of the Company amounting to Rs. 334 million. The Company is in negotiation with bank for revising the facilities limits which are decreased to Rs. 50 million during the year. The per annum rate of profit is six month KIBOR + 1.75%.

10 CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies as reported in note 25 to the audited annual financial statement of the Company for the year ended June 30, 2020.

	Three Month Period Ended	
	September 30, 2020	September 30, 2019
11 COST OF SALES/ SERVICES	-----Rupees-----	
Raw materials consumed	4,593,100	14,625,528
Salaries, wages and benefits	2,262,164	2,498,075
Repair and maintenance	93,700	-
Travelling and conveyance	15,090	6,850
Vehicle running and maintenance	31,045	3,200
Electricity, water and gas	500,538	474,046
Telephone and postage	30,260	13,948
Carriage and freight	3,850	161,900
Royalty and equipment rentals	-	505,325
Clearing and service charges	351,072	2,211,456
Security charges	660,000	440,000
Other factory overheads	64,670	28,396
Depreciation	347,889	532,758
Cost of sales/ services	<u>8,953,378</u>	<u>21,501,482</u>

12 SELLING AND DISTRIBUTION EXPENSES

Marketing expenses are being paid to Akbar Associates (Private) Limited, @ maximum of 5% of the revenue for services rendered to the Company. However, the Company has negotiated and got this arrangement suspended for this period, resultantly no marketing expenses are incurred during the period.

ADOS PAKISTAN LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Three Month Period Ended	
	September 30, 2020	September 30, 2019
	-----Rupees-----	
13 OTHER INCOME		
Income from financial assets		
Interest income - banks	5,123	11,571
Recovery against loss allowance	4,733,229	-
	4,738,352	11,571
Income from non-financial assets		
Other income	60,870	-
Exchange gain-net	2,211,319	-
Gain on disposal of vehicles	-	1,311,245
	2,272,189	1,311,245
Other income	7,010,541	1,322,816
14 EARNING PER SHARE - BASIC AND DILUTED		
(Loss) for the period after tax	(129,688)	(4,362,657)
Number of ordinary shares outstanding during the period	6,582,600	6,582,600
(Loss) per share (Rupees)	(0.02)	(0.66)

There is no dilutive effect on the earnings per share of the Company as the Company has no such commitments.

15 IMPACT OF COVID-19

A novel strain of corona virus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. Due to this, management has assessed the accounting implications of these developments on these condensed interim financial information, however, according to management's assessment, there is no significant impact of the effects of COVID-19 on these condensed interim financial information.

16 GENERAL

16.1 General and corresponding figures

Amounts have been rounded to the nearest rupee unless otherwise stated. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, however, no significant reclassifications/ restatements is made in these condensed interim financial information.

16.2 Date of authorization for issue

These condensed interim financial information have been authorized for issue by the Board of Directors of the Company in its meeting held on October 29, 2020.

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER

ZIA AKBAR ANSARI
CHIEF EXECUTIVE

ASFANDIYAR AKBAR ANSARI
DIRECTOR