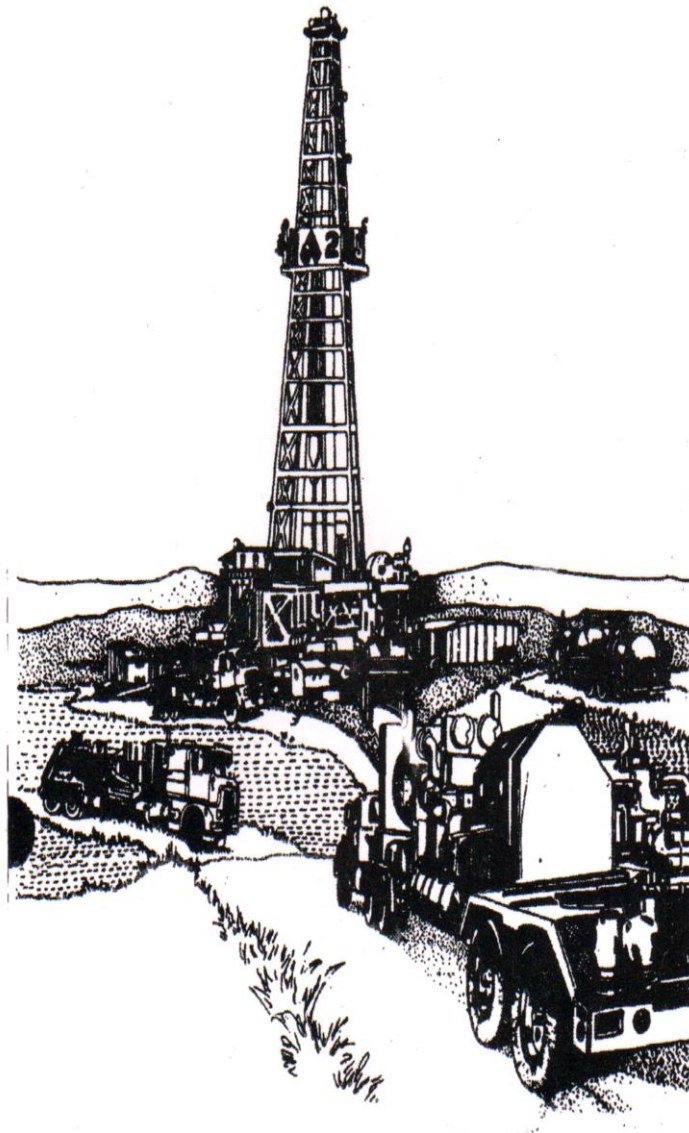


**ADOS PAKISTAN LIMITED**  
**QUARTERLY REPORT SEPTEMBER 30, 2021**





## COMPANY INFORMATION

### CHIEF EXECUTIVE OFFICER

Mr. Zia Akbar Ansari

### DIRECTORS

Mr. Zia Akbar Ansari  
Mrs. Shoobarna Zia  
Mr. Shehryar Akbar Ansari  
Mr. Asfandyar 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

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

### HUMAN RESOURCE COMMITTEE

Mrs. Shoobarna Zia – Member  
Ms. Suboohi Ansari – Member & Secretary  
Ms. Aysha Masood - Member  
Mrs. Aylin Ansari - Member  
Mr. Muhammad Fahd Shafi – Chairman & 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, Jinnah Avenue, Islamabad  
Bank of Khyber,  
Hattar Industrial Estate, Hattar.

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

## **LEGAL ADVISORS**

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

## **REGISTERED OFFICE**

2<sup>nd</sup> 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 Ameer Center, Shahrah-e-Iraq,  
Saddar, Karachi.  
Tel # 92-21-5662023-24  
Fax: + 92 21 35221192



## DIRECTOR'S REPORT TO THE MEMBERS

Gentlemen,

The Board of Directors of ADOS Pakistan Limited is pleased to announce the financial results for the Quarter ended September 30, 2021.

The comparison of key financial results of your company's performance for the first quarter ended September 30, 2021 with the same period last year is as under:

|   | <u>September 30, 2021</u> | <u>September 30, 2020</u> |
|---|---------------------------|---------------------------|
|   | ------(Rupees)-----       |                           |
| Sales-net                                   | (5,108,623)               | 11,903,097                |
| Gross Profit/(Loss)                         | 651,816                   | 2,949,719                 |
| Profit/(Loss) for the Period                | (1,096,080)               | (129,689)                 |
| Basic and Diluted Earnings/(Loss) per share | (0.17)                    | (0.02)                    |

1. ADOS Pakistan has established a strong market presence in the past few decades of operations. ADOS shall continue to fulfill its mission of being the premier equipment manufacturer and supplier to the oil & gas sector as well to diversify its manufacturing capabilities of engineering products to the other business sector of the economy.
2. As stated earlier in the annual report, the Board has decided to sell the land and building of Plot No. 43, Phase III, Industrial Estate of Hattar, KPK and to purchase land in the Faisalabad Special Economic Zone (FIEDMC) and to construct building thereof. The board is in process of evaluating the future diversification of manufacturing of engineering products, the target market and strategy to utilize its precision machining capability for industries other than Oil & Gas. Taking into account these factors before future purchase of land. The decision as stated earlier is been made in accordance with our previous information to the members of the company in the directors report for previous few years regarding severe reduction in opportunities from the Exploration and Production Companies (E & P ) operating in Pakistan.
3. Further, as stated earlier in the last director's report to the members, the Pakistani Oil & Gas industry is experiencing a recession like situation since 2017-18 due to recession in the global oil market. The company is also facing dumping activities by foreign firms along with induction of Chinese suppliers/companies into the business has greatly increased competition resulting in less orders and low profit margins in order to compete in the bidding process by the state owned companies (where the majority of the volume exists in the market). Decisions have been made by state owned E&P firms which state that firms like ADOS Pakistan are now disqualified on the basis of experience, even though ADOS has supplied thousands of Wellheads & Trees to them in the past 29+ years of operations. The Government has further reduced the support provided to local manufacturers in the Oil & Gas sector, and has reduced customs tariffs for imported products, further reducing the opportunity available in the market.
4. The management wants to state that the loss for the quarter ended September 30, 2021 amounting to Rs. 1,096,080/- is due to weak turnover.



5. As stated earlier, keeping 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 continued financing support from the major shareholders (directors) to the Company to enable the Company to continue as a going concern. 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.

The Directors & management have a reasonable expectation that the Company has adequate resources to continue its activity for the foreseeable future.

6. The management has decided not to pay dividend for the quarter ended September 30, 2021 keeping in view future cash flow requirements of the company.
7. 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.
8. The management also fully intends to comply with the requirement of Clause 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. In this regard, the company will be fully compliant not later than expiry of Board's current term.

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, 2021*

## ڈائریکٹرز رپورٹ برائے ممبران

حضرات:

اڈوس پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کو پہلے تین ماہی مالیاتی گوشوارے جس کا خاتمہ مورخہ 30 ستمبر 2021 کے مالی نتائج کا اعلان کر کے خوشی ہوئی۔

سابقہ سال کے اسی پیریڈ کا اس پہلے تین ماہی سال خاتمہ مورخہ 30 ستمبر 2021 کے ساتھ کلیدی نتائج کا مقابلہ مندرجہ ذیل ہے:

| تفصیل                         | 30 ستمبر 2021    | 30 ستمبر 2020   |
|-------------------------------|------------------|-----------------|
| خالص سیلز                     | روپے (5,108,623) | 11,903,097 روپے |
| مجموعی نفع / (نقصان)          | روپے 651,816     | 2,949,719 روپے  |
| پیریڈ نفع / (نقصان)           | روپے (1,096,080) | روپے (129,688)  |
| بنیادی اور مخفف آمدنی فی حصہ: | روپے (0.17)      | روپے (0.02)     |

۱- گزشتہ دہائیوں سے اڈوس پاکستان نے مارکیٹ میں اپنی بہترین اور مضبوط موجودگی کو قائم کیا ہے ایڈوس اپنے بہترین آلات کی تیاری اور تیل اور گیس سیکٹر میں اے ڈی او ایس تیل اور گیس کے شعبے کا ایک اہم ساز و سامان بنانے والا اور سپلائر بننے کے ساتھ ساتھ اپنی انجینئرنگ مصنوعات کی پیداواری صلاحیتوں کو معیشت کے دوسرے کاروباری شعبے میں متنوع بنانے کے مشن کو پورا کرتا رہے گا۔

۲- جیسا کہ پہلے سالانہ رپورٹ میں کہا گیا ہے۔ بورڈ نے پلاٹ نمبر 43، فیز 111، صنعتی اسٹیٹ آف ہٹار، کے پی کے کی زمین اور عمارت فروخت کرنے اور فیصل آباد انڈسٹریل زون میں زمین خریدنے اور اس کی عمارت بنانے کا فیصلہ کیا ہے۔ بورڈ انجینئرنگ مصنوعات کی تیاری کے مستقبل کے تنوع کا جائزہ لینے کے لیے ٹارگٹ مارکیٹ اور حکمت عملی کا جائزہ لے رہا ہے تاکہ تیل اور گیس کی صنعت کے علاوہ دیگر صنعتوں کے لیے اس کی درست مشینی صلاحیت کو بروئے کار لایا جاسکے۔ یہ فیصلہ پاکستان میں کام کرنے والی ایکسپلوریشن اینڈ پروڈکشن کمپنیوں (ای اینڈ پی) کی جانب سے کمپنی کے ممبروں کو ہماری سابقہ معلومات کے مطابق کیا گیا ہے

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۔ کمپنی کو غیر ملکی فرموں کی طرف سے ڈمپنگ سرگرمیوں کا بھی سامنا ہے اور چینی سپلائرز/کمپنیوں کو کاروبار میں شامل کرنے سے مقابلے میں بہت زیادہ اضافہ ہوا سرکاری ملکیت والی E&P فرموں نے کیے ہیں جن میں کہا گیا ہے کہ ADOS پاکستان جیسی فرموں کو اب تجربے کی بنیاد پر نااہل قرار دے دیا گیا ہے، حالانکہ ADOS نے گزشتہ 29 سالوں کے آپریشنز میں انہیں ہزاروں ویل ہیز اور درخت فراہم کیے ہیں۔ حکومت نے تیل اور گیس کے شعبے میں مقامی مینوفیکچررز کو فراہم کی جانے والی مدد کو مزید کم کر دیا ہے، اور درآمدی مصنوعات کے لیے کسٹم ٹیرف کو کم کر دیا ہے، جس سے مارکیٹ میں دستیاب مواقع کو مزید کم کیا گیا ہے۔

۴- انتظامیہ یہ بتانا چاہتی ہے کہ پہلے تین ماہ یعنی 30 ستمبر 2021 تک کے نقصانات جو کہ مبلغ 1,096,080 روپے کے ہیں جس کی وجہ کم فروخت کا حجم اور کم منافع ہیں۔

۵۔ جیسا پہلے بیان کیا گیا ہے 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۔ 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۔

ڈائریکٹر اور کمپنی کی مینجمنٹ کو مناسب اور مضبوط توقعات ہیں کہ کمپنی اپنے پاس کافی وسائل کی بدولت بہتر مستقبل کے لئے اپنی سرگرمیاں جاری رکھ سکتی ہے۔

۶۔ انتظامیہ نے یہ فیصلہ کیا ہے کہ وہ پہلے تین ماہ یعنی مورخہ 30 ستمبر 2021 تک کی آمدن/حصہ نہیں دے گی تاکہ مستقبل میں کمپنی کیلئے درکار رقم استعمال کی جاسکے۔

۷۔ تجویز کردہ لیسٹیڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشن ۲۰۱۹ء کے سیکشن ۱۱۹ اور مضمون VI کے مطابق ڈائریکٹر ٹریگ پروگرام کے مطابق عمل کرنے پر مینجمنٹ نے ارادہ کیا ہے۔

۸۔ انتظامیہ مکمل طور پر لیسٹیڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کی شق 6 کی تعمیل کا بھی ارادہ رکھتی ہے۔

ڈائریکٹر نے اس موافقے میں مینجمنٹ، ورکر پرنسپل سپونسر، بینکر اور حصص داران کے تعاون اور حمایت کرنے پر ان کا شکریہ ادا کرتے ہیں۔

ضیاء اللہ انصاری  
چیف ایگزیکٹو آفیسر و ڈائریکٹر

اسلام آباد 29 اکتوبر 2021





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




|   | Note | Unaudited          | Audited            |
|---|------|--------------------|--------------------|
|   |      | September 30, 2021 | June 30, 2021      |
| -----Rupees-----  |      |                    |                    |
| <b>ASSETS</b>   |      |                    |                    |
| <b>NON-CURRENT ASSETS</b>   |      |                    |                    |
| Property, plant and equipment                                       | 4    | 28,299,192         | 29,253,911         |
| Right of use asset  | 5    | 9,137,474          | 10,152,749         |
| Intangible assets   |      | 1,030,514          | 1,084,752          |
| Long term loans and advances  |      | 37,999             | 103,999            |
| Long term deposits  |      | 400,000            | 400,000            |
| Deferred taxation   |      | -                  | -                  |
|   |      | 38,905,180         | 40,995,411         |
| <b>CURRENT ASSETS</b>   |      |                    |                    |
| Stores, spares and loose tools                                      |      | -                  | -                  |
| Stock in trade  |      | 46,010,311         | 57,092,244         |
| Trade debts   | 6    | 4,873,795          | 5,103,385          |
| Advances  |      | 75,060             | 60,060             |
| Trade deposits and short term prepayments                           |      | 3,005,443          | 905,443            |
| Accrued interest on saving accounts                                 |      | 1,126              | 822                |
| Tax refunds due from the Government                                 | 7    | 90,739,681         | 90,510,365         |
| Cash and bank balances  |      | 3,404,372          | 1,637,342          |
|   |      | 148,109,788        | 155,309,661        |
| <b>TOTAL ASSETS</b>   |      | <b>187,014,968</b> | <b>196,305,072</b> |
| <b>EQUITY AND LIABILITIES</b>                                       |      |                    |                    |
| <b>SHAREHOLDERS' EQUITY</b>   |      |                    |                    |
| 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)                        |      | (65,488,027)       | (64,391,947)       |
|   |      | 337,973            | 1,434,053          |
| <b>LIABILITIES</b>  |      |                    |                    |
| <b>NON-CURRENT LIABILITIES</b>                                      |      |                    |                    |
| Employees' benefit obligation                                       |      | 7,280,474          | 7,280,474          |
| Lease liability   | 8    | 7,700,359          | 7,249,440          |
|   |      | 14,980,833         | 14,529,914         |
| <b>CURRENT LIABILITIES</b>  |      |                    |                    |
| Trade and other payables  |      | 44,108,640         | 46,806,762         |
| Current portion of lease liability                                  | 8    | 4,518,045          | 4,518,045          |
| Due to director   | 9    | 117,277,553        | 123,224,373        |
| Profit payable on short term borrowings                             |      | -                  | -                  |
| Short term borrowings   |      | -                  | -                  |
| Unclaimed dividend  |      | 5,791,925          | 5,791,925          |
|   |      | 171,696,162        | 180,341,105        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                 |      | <b>187,014,968</b> | <b>196,305,072</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                |      |                    |                    |
|   | 10   |                    |                    |

The annexed notes 1 to 15 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 PROFIT OR LOSS (UNAUDITED)  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2021



|   | Three month period ended |                    |
|---|--------------------------|--------------------|
|   | September 30, 2021       | September 30, 2020 |
|   | -----Rupees-----         |                    |
| Revenue-net                                 | 5,108,623                | 11,903,097         |
| Cost of sales/services                      | (4,456,807)              | (8,953,378)        |
| <b>Gross profit</b>                         | <b>651,816</b>           | <b>2,949,719</b>   |
| Selling and distribution expenses           | -                        | -                  |
| Administrative expenses                     | (7,670,994)              | (9,402,382)        |
| Other income                                | 6,446,032                | 7,010,540          |
|   | (1,224,963)              | (2,391,842)        |
| <b>Profit/(loss) from operations</b>        | <b>(573,147)</b>         | <b>557,877</b>     |
| Finance cost                                | (459,075)                | (509,020)          |
| <b>Profit/(loss) before income tax</b>      | <b>(1,032,222)</b>       | <b>48,857</b>      |
| Taxation                                    | (63,858)                 | (178,546)          |
| <b>(Loss) for the period</b>                | <b>(1,096,080)</b>       | <b>(129,689)</b>   |
| <b>(Loss) per share - basic and diluted</b> | <b>(0.17)</b>            | <b>(0.02)</b>      |

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The annexed notes 1 to 15 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 COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

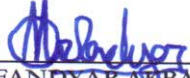


|  | Three month period ended |                    |
|--|--------------------------|--------------------|
|  | September 30, 2021       | September 30, 2020 |
|  | -----Rupees-----         |                    |
| (Loss) for the period                            | (1,096,080)              | (129,689)          |
| Other comprehensive income for the period        | -                        | -                  |
| Total comprehensive income/(loss) for the period | <u>(1,096,080)</u>       | <u>(129,689)</u>   |

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

  
\_\_\_\_\_  
ALI IMRAN HAIDER BOKHARI  
CHIEF FINANCIAL OFFICER


  
\_\_\_\_\_  
ZIA AKBAR ANSARI  
CHIEF EXECUTIVE

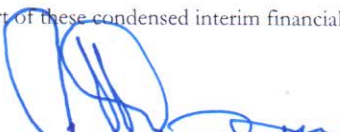
  
\_\_\_\_\_  
ASFANDYAR AKBAR ANSARI  
DIRECTOR

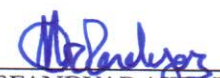


|   | September 30, 2021 | September 30, 2020 |
|---|--------------------|--------------------|
|   | -----Rupees-----   |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                    |                    |
| Profit/(loss) before income tax                                 | (1,032,222)        | 48,857             |
| Adjustment for:   |                    |                    |
| Depreciation  | 954,718            | 2,747,039          |
| Amortization  | 1,069,512          | 67,797             |
| Provision for employees' benefit obligation                     | -                  | 162,914            |
| Interest income on banks  | (2,624)            | (5,123)            |
| Interest on lease liability                                     | 450,919            | 476,388            |
| Financial cost  | -                  | -                  |
| (Gain) / loss on disposal of property, plant and equipment      | -                  | -                  |
|   | 2,472,525          | 3,449,015          |
| <b>Operating loss before working capital changes</b>            | <b>1,440,303</b>   | <b>3,497,872</b>   |
| <b>(Increase)/decrease in current assets</b>                    |                    |                    |
| Stock in trade  | 11,081,933         | -                  |
| Trade debts   | 229,590            | (470,063)          |
| Advances  | (15,000)           | (284,929)          |
| Trade deposits and short term prepayments                       | (2,100,000)        | 948,666            |
|   | 9,196,523          | 193,674            |
| <b>Increase/(decrease) in current liabilities</b>               |                    |                    |
| Trade and other payables  | (2,698,122)        | 1,780,581          |
| Profit payable on short term borrowings                         | -                  | -                  |
| Due to director   | (5,946,820)        | (427,728)          |
| Unclaimed dividend  | -                  | -                  |
| Short term borrowings   | -                  | -                  |
|   | (8,644,942)        | 1,352,853          |
| <b>Cash generated from / (used in) operations</b>               | <b>1,991,884</b>   | <b>5,044,399</b>   |
| Profit paid on short term borrowings                            | -                  | -                  |
| Interest paid on lease liability                                | -                  | -                  |
| Tax withheld / paid   | (293,174)          | (709,058)          |
| Profit realized on bank accounts                                | 2,320              | 8,062              |
| Long term loans and advances                                    | 66,000             | 35,000             |
| Employees benefit obligations paid                              | -                  | -                  |
|   | (224,854)          | (665,996)          |
| <b>Net cash generated from / (used in) operating activities</b> | <b>1,767,030</b>   | <b>4,378,403</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                    |                    |
| Additions to property, plant and equipment                      | -                  | (75,000)           |
| Addition in intangible asset                                    | -                  | -                  |
| Sale proceeds from disposal of property, plant and equipment    | -                  | -                  |
| <b>Net cash generated from / (used in) investing activities</b> | <b>-</b>           | <b>(75,000)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                    |                    |
| Repayment of lease liability                                    | -                  | -                  |
| <b>Net cash used in financing activities</b>                    | <b>-</b>           | <b>-</b>           |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   | <b>1,767,030</b>   | <b>4,303,403</b>   |
| Cash and cash equivalents at the beginning of the period        | 1,637,342          | 1,697,333          |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>3,404,372</b>   | <b>6,000,736</b>   |

The annexed notes 1 to 15 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





|  | Issued,<br>subscribed and<br>paid up share<br>capital | Revenue<br>reserves<br>Unappropriated<br>Profit/(loss) | Total             |
|--|---|--|-------------------|
|  | -----Rupees-----                                      |  |                   |
| 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 | -   | (129,689)  | (129,689)         |
| Other comprehensive income for the period                  | -   | -  | -                 |
| <b>Balance as at September 30, 2020</b>                    | <b>65,826,000</b>                                     | <b>(46,572,364)</b>                                    | <b>19,253,636</b> |
| Balance as at July 01, 2021                                | 65,826,000  | (64,391,947)   | 1,434,053         |
| Comprehensive income for the period                        |   |  |                   |
| (Loss) for the three month period ended September 30, 2021 | -   | (1,096,080)  | (1,096,080)       |
| Other comprehensive income for the period                  | -   | -  | -                 |
| <b>Balance as at September 30, 2021</b>                    | <b>65,826,000</b>                                     | <b>(65,488,027)</b>                                    | <b>337,973</b>    |

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.

ALI IMRAN HAIDER BOKHARI  
 CHIEF FINANCIAL OFFICER

ZIA AKBAR ANSARI  
 CHIEF EXECUTIVE

ASFANDYAR ARBAR ANSARI  
 DIRECTOR



## 1 LEGAL STATUS AND OPERATIONS

- 1.1 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.
- 1.2 The Company incurred net loss after tax of Rs. 1,096,080 (September 2020: Rs.129,689) resulting in total accumulated losses of Rs. 65,488,027 (June 2021: Rs. 64,391,947) and current liabilities exceeded current assets by Rs. 23,586,374 at the period-end due to weak turnover and profitability. These conditions indicate the existence of material uncertainty which may cast significant doubt on the ability of the Company to continue as going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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. Further, in current financial year, management has executed the plans to perform cost reduction activities, increasing sales from existing customers and addition of new customers, increasing revenue sources, focused on securing orders which have a low working capital requirement along with lower turnaround times. 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 - 19 crisis and resulting Oil & Gas crisis being faced globally. Based on the success of this plan, management will continue on the same path, with continual corrections and improvements based on the dynamic real world situation. In addition, a plan to improve the Company's liquidity is underway, and management expects positive results in the upcoming financial year. The management is confident in the Company's ability to meet its obligations, and is putting forward our best efforts to strive towards profitability regardless of external market shocks. Further management through following measures intends to improve the Company's operational performance, cash flow and financial position: (i) Reaching the finalization process for recovery of refundable income tax from Government; (ii) Taking steps for recovery of long outstanding receivables and have been able to recover some of them subsequently; (iii) Continue focusing on cost reduction activities, including reduction of personnel costs and general administrative expenses; (iv) Focusing orders for Re-fabrication of equipment from E & P companies operating in Pakistan; and (v) Improving relationship with customers and providing more competitive prices.

Based on the measures described above and the commitment of Directors, management has a reasonable expectation that the Company has adequate resources to continue its activity for the foreseeable future.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

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.

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



**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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, 2021. Comparative statement of financial position is extracted from annual audited financial statements as of June 30, 2021, whereas comparative condensed interim statement of profit or loss, condensed interim statement of 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 months period ended September 31, 2020.

**2.2 Changes in accounting standards, interpretations and pronouncements**

(a) Standards and amendments to approved accounting and reporting standards that are effective:

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2021. However, these do not have any significant impact on the Company's financial accounting.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective:

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2021. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

**3 SIGNIFICANT 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, 2021.

**4 PROPERTY, PLANT AND EQUIPMENT**

|   | Unaudited<br>September 31, 2021 | Audited<br>June 30, 2021 |
|---|---------------------------------|--------------------------|
| -----Rupees-----                              |                                 |                          |
| Opening net book value                        | 29,253,911                      | 39,327,195               |
| Additions during the period/ year             | -                               | 135,000                  |
| Disposal during the period/ year              |                                 |                          |
| -Cost   | -                               | (18,259,900)             |
| -Depreciation                                 | -                               | 13,649,740               |
|   | -                               | (4,610,160)              |
| Depreciation charged during the period / year | (954,718)                       | (5,598,124)              |
| <b>Closing net book value</b>                 | <b>28,299,192</b>               | <b>29,253,911</b>        |

**5 RIGHT OF USE ASSET**

|  |                  |                   |
|--|------------------|-------------------|
| Balance at beginning of the period/year              | 10,152,749       | 14,213,848        |
| Right of use asset recognized on adoption of IFRS 16 | -                | -                 |
| Adjustments made during the period / year            | -                | -                 |
| Depreciation charged during the period / year        | (1,015,275)      | (4,061,099)       |
| <b>Closing net book value</b>                        | <b>9,137,474</b> | <b>10,152,749</b> |

**6 TRADE DEBTS - UNSECURED**

Considered:

|            |            |            |
|------------|------------|------------|
| - good     | 4,873,795  | 5,103,385  |
| - doubtful | 75,439,595 | 75,439,595 |
|            | 80,313,390 | 80,542,980 |

Less: loss allowance

6.1

**Trade debts**

|                    |                  |                  |
|--------------------|------------------|------------------|
|                    | (75,439,595)     | (75,439,595)     |
| <b>Trade debts</b> | <b>4,873,795</b> | <b>5,103,385</b> |





**ADOS PAKISTAN LIMITED**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

|   | Unaudited<br>September 31, 2021 | Audited<br>June 30, 2021 |
|---|---------------------------------|--------------------------|
| -----Rupees-----                                    |                                 |                          |
| <b>6.1 Loss allowance</b>                           |                                 |                          |
| Balance as at July 01                               | 75,439,595                      | 80,172,824               |
| Allowance made during the period / year             | -                               | -                        |
| Less: Reversal made during the period / year        | -                               | (4,733,229)              |
| <b>Balance at the end of the period / year</b>      | <b>75,439,595</b>               | <b>75,439,595</b>        |
| <b>7 TAX REFUNDS DUE FROM THE GOVERNMENT</b>        |                                 |                          |
| Opening balance                                     | 90,510,365                      | 135,880,809              |
| Tax paid/deducted at source during the period/ year | 293,174                         | 1,709,202                |
| Refunds received during the period/year             | -                               | (45,041,622)             |
| Less: provision for taxation                        | (63,858)                        | (2,038,024)              |
| <b>Advance tax - net of provision</b>               | <b>90,739,681</b>               | <b>90,510,365</b>        |
| Sales tax refunds                                   | -                               | -                        |
| <b>Tax refundable</b>                               | <b>90,739,681</b>               | <b>90,510,365</b>        |
| <b>8 LEASE LIABILITY</b>                            |                                 |                          |
| Balance at beginning of the period/year             | 11,767,485                      | 15,705,809               |
| Impact of initial application of IFRS 16            | -                               | -                        |
| Interest accrued                                    | 450,919                         | 1,803,676                |
| Payment during the period/year                      | -                               | (5,742,000)              |
|   | <b>12,218,404</b>               | <b>11,767,485</b>        |
| Current portion grouped under current liabilities   | (4,518,045)                     | (4,518,045)              |
| Balance at the end of the period/year-non current   | <b>7,700,359</b>                | <b>7,249,440</b>         |
| <b>9 DUE TO DIRECTOR</b>                            |                                 |                          |
| Due to director                                     | 117,277,553                     | 123,224,373              |
|   | <b>117,277,553</b>              | <b>123,224,373</b>       |

9.1 This is unsecured, interest free and payable on demand.

**10 CONTINGENCIES AND COMMITMENTS**

There are no significant changes in the status of contingencies and commitments as reported in the audited annual financial statements of the Company for the year ended June 30, 2021.

**11 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.

**12 EARNING PER SHARE - BASIC AND DILUTED**

|   | -----Unaudited-----<br>Three month period ended |                    |
|---|---|--------------------|
|   | September 30, 2021                              | September 30, 2020 |
| -----Rupees-----  |   |                    |
| Loss for the period after tax                           | (1,096,080)                                     | (129,689)          |
| Number of ordinary shares outstanding during the period | 6,582,600                                       | 6,582,600          |
| <b>Loss per share</b>                                   | <b>(0.17)</b>                                   | <b>(0.02)</b>      |

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



**ADOS PAKISTAN LIMITED**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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**13 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.

**14 GENERAL**

14.1 Amounts have been rounded to the nearest rupee unless otherwise stated.

14.2 The Comparative figures have been re-arranged and/ or reclassified, wherever necessary, for the purpose of comparison in the financial information.

**15 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, 2021.

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**ALI IMRAN HAIDER BOKHARI**  
CHIEF FINANCIAL OFFICER

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**ZIA AKBAR ANSARI**  
CHIEF EXECUTIVE

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**ASFANDYAR AKBAR ANSARI**  
DIRECTOR