

Annual Report June 30, 2022





## **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.

**Askari Bank Limited,**  
Blue Area, Main Branch, 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

## **FACTORY(S)**

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



## **CORPORATE PROFILE**

ADOS Pakistan is a state-of-the-art API Specification-5CT, Specification-6A, Specification-6D Specification 7-1 and Specification 12 F licensed manufacturing facility in Pakistan with a solid commitment to quality indigenous manufacturing of critical service capital intensive oilfield equipment with a guaranteed aftermarket support. In addition to API certifications, Ados is also licensed by Cameron to manufacture their wellhead & Xmas tree product range and Tenaris for manufacturing their RTS premium thread connection.

Our in-house consultants, engineers, machinists, fabricators and welders form a solid core of basic expertise, which along with international technical support and licensing agreements with the world's most reputable manufacturers has enabled ADOS Pakistan Limited to manufacture, repair and maintain the following range of oilfield equipment with guaranteed aftermarket support and service.

### **1. WELLHEAD ASSEMBLIES**

Made from cast or forged steel or alloys thereof, used in Oil & Gas Wells, both land & off-shore, for retaining different size of casings, from 30 OD to 5 OD and upto 10,000 psi working pressure & 350 F operating temperatures.

- Casing Spools slip-on or flanged end for Casing sizes ranging from 30 to 5 OD
- Casing Hangers for casing sizes ranging from 20 to 5 OD.
- Side outlet Valves either gate or ball valves in sizes ranging from 1-13/16 to 7-1/16 ID.
- Side outlet flanges blind or with bull plugs in sizes ranging from 1-13/16 to 7-1/16 ID.
- Other accessories, Risers, Mud lines & Suspension Systems

### **2. TUBING HEAD X-MAS TREE ASSEMBLIES**

Designed to be used for production of Oil or Gas from the Oil & Gas wells to be mounted on the wellhead, both land & offshore. Made from forged steel or alloys thereof, standard or clad with special corrosion resistant alloys. Conventional type or solid block type Assembly rated up to 10,000-psi working pressure.

- Tubing Spools made from forged steel or steel alloys, standard or clad with tubing hangers, both for single or multiple well completions. Side outlets with Valves or Flanges rated up to 10,000-psi working pressure ranging from 1-13/16 to 7-1/16 ID.
- Secondary Seal Assemblies with P-seal or other seals incorporated in 2.1 or separately as a flange or adapter.
- Tubing Spool Adapters. Single or Double Studded or through Hole Type.
- Crosses, Tees and Adapters all studded with ring grooves.
- X-Mass Tree Assemblies standard or Solid Block consisting of one or more Standard or cavity Valves ranging in sizes from 1-13/16 to 7-1/16 ID.
- Chokes adjustable or fixed including rotary type with accessories.
- X-Mass Tree Caps & Weld on Flanges.
- Other Wellhead Accessories.





### **3. SOCONDARY SEALS, DOUBLE STUDED ADAPTERS & FLANGES.**

Made from forged steel or steel alloys, Standard or Cladded with or without integral seals rated up to 10,000-psi working pressure.

- Double Studded Adapters from 26-3/4 ID to 1-13/16 ID in various combinations.
- Through Bore Adapters from 26-3/4 ID to 1-13/16 ID.
- 3.1 & 3.2 with integral single or double seal.
- Reducer Flange.
- Weld-on Flanges etc.
- Other Accessories.

### **4. CHOKE & KILL MANIFOLD ASSEMBLY**

Production & Drilling chokes both manual and hydraulic operated with crosses, bends & tees. All mounted or unitized o skid as one assembly rated up to 10,000-psi working pressure.

- Production Test Manifolds.
- Drilling Choke and Kill Manifolds.
- Stand Pipe Manifolds.
- Control Manifolds.
- Other Manifolds & accessories.

### **5. ROTARY DRILLING EQUIPMENT**

- Integral & weld blade or replaceable Sleeve type stabilizers.
- Drill String Subs.
- Kelly Saver Subs.
- Bit Subs.
- Tool Joints / Drill Pipes.
- Junk Subs.
- Pup Joints.
- Drill Collars.

### **6. Seismic Drilling Rigs**

- Man portable Seismic Drilling Rigs with Down Hole Hammer.
- Trailer Mounted Seismic Drilling Rigs with Down Hole Hammer.
- Truck Mounted Seismic Drilling Rigs with Down Hole Hammer.

### **7. General Fabrication & Machining:**

- Storage Vessels & Tanks.
- Discrete & Overt Armoring of Vehicles.
- Caravans both skid & wheel mounted.
- Jig fixtures for automobile manufacturing plants.
- Weld neck & beveled end flanges.
- Shafts, fittings, plugs & engine heads.



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the shareholders of ADOS Pakistan Limited will Insha'Allah be held on Friday, October 28, 2022 at 10.30 A.M at its registered office at 2<sup>nd</sup> Floor, Block-2, FJ-Plaza, College Road, Markaz F-7, Islamabad to transact the following business:

### **ORDINARY BUSINESS:**

- i) To confirm the minutes of 36<sup>th</sup> Annual General Meeting held on October 28, 2021, Extra Ordinary General Meeting (EOGM) held on January 13, 2022 and EOGM held on September 08, 2022 respectively.
- ii) To receive, consider and adopt the Audited Financial Statements for the year ended June 30, 2022 together with Director's and Auditor's report therein.
- iii) To appoint auditors for the year ending June 30, 2023 and to fix their remuneration.
- iv) To transact any other business with the permission of chair.

By Order of the Board

**SABINA ANSARI**  
Company Secretary

Islamabad: October 07, 2022

### **Participation of members through electric means in addition to holding physical meeting for Annual General Meeting (AGM):**

The Securities & Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in General Meeting through electronic means as a regular feature in addition to holding physical meetings. The shareholders are also encouraged to participate in the AGM through electronic facility organized by the Company. For this facility the shareholders intending to participate through electronic means are requested to get themselves registered with M/s. JWAFS Registrar Services (Pvt.) Ltd. at least 48 hours before the time of AGM at [jwaffs@live.com](mailto:jwaffs@live.com). The shareholders will be able to login and participate in the AGM proceedings after completing for verification and identification of the shareholders. The login facility will be opened at 10:00 a.m. on October 28, 2022 enabling the participants to join the proceedings which will start at 10.30 a.m sharp. The shareholders are requested to provide the information as per below format. The details of the video link will be sent to the shareholders on the email address provided in the below table:

Sr. No	Name of the Shareholder	CNIC Number	Folio Number	Cell Number	Email Address

### **Notes:**

- i) **Closure of Share Transfer Books:** Share Transfer Books will remain closed from October 21, 2022 to October 28, 2022 [Both days inclusive]. Transfers received at Share Registrar, M/s JWAFS Registrar Services (Private) Limited, 407-408, Al-Ameera Center, Shahrah –e-



Iraq, Saddar, Karachi at the close of business on October 20, 2022 will be treated in time for the purpose of attending the Annual General Meeting and payment of Dividend.

- ii) **Attending the AGM in person or through Proxy:** A member entitled to attend and vote at the General Meeting may appoint a person/representative as proxy to attend and vote on his behalf at the meeting. The instrument of proxy must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting. In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting. The individual members or representatives of corporate members of the Company in CDC must bring original CNIC or passport and CDC Account and Participant Number to prove identity and verification at the time of meeting.
- iii) **Postal Ballot:** Members may exercise their right to vote by means of postal ballot i.e. by post through electronic mode subject to the requirements of section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.
- iv) **Change of Address and Zakat Declaration:** Shareholders are also requested to notify any change if any in their address and zakat declaration status to the Company's share Registrar.
- v) **Submission of CNIC:** Individual shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's share registrar, Central Depository of Pakistan Limited.
- vi) **Unclaimed Dividend:** Pursuant to section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it became due payable shall vest with Federal Government after compliance of procedures prescribed under the Companies Act, 2017.
- vii) **Distribution of Annual Audited Accounts via Email (Optional):** Pursuant to the provisions of section 223(6) of the Companies Act, 2017, the companies are permitted their annual financial statements, along with auditor's report, directors' report etc. (Annual Report) and the notice of annual general meeting to its shareholders by email. Shareholders of the company who wish to receive the Company's Annual report and Notices of annual general meeting by email are requested to provide completed the completed electronic communication form (available on the company's website) to the Company's share registrar, Central Depository Company of Pakistan Limited.
- viii) **Annual Audited Accounts on Company Website:** SECP has issued an SRO No. 634(I)/2014 whereby every listed company shall maintain a functional website of the Company. In compliance of the said SRO, we would like inform our shareholders that annual report of the Company for the year ended June 30, 2022 has been placed on Company's website ([www.ados.com.pk](http://www.ados.com.pk)) for information and access of the shareholders.
- ix) **Video Conferencing Facility:** If the Company receives consent (as stated below) from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least seven (7) days prior to the date of extra ordinary general meeting, the company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and send at registered address of the Company:  
I/we, \_\_\_\_\_ of \_\_\_\_\_, being a member of ADOS Pakistan Limited, holder of \_\_\_\_\_ ordinary share(s) as per registered Folio/CDC Account /No \_\_\_\_\_ hereby opt for



video conference facility at \_\_\_\_\_ . Signature of member  
\_\_\_\_\_.

- x) **Deposit of Physical Shares into Central Depository Company:** As per section 72 of the Companies Act, 2017 all listed companies are required to replace shares issued by them in physical form to book-entry form within four years of the promulgation of the Act. Accordingly, all shareholders of the Company having physical folios/share certificates are requested to convert their shares into book-entry form at the earliest.



نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا نوٹس مطلع کیا جاتا ہے کہ ایڈوس پاکستان لمیٹڈ کے حصص داران کا سٹینٹس سالانہ اجلاس عام جمعہ 28 اکتوبر 2022 کو بوقت صبح 10.30 بجے مندرجہ ذیل کاروباری لین دین کے معاملات پر رجسٹرڈ دفتر، سیکنڈ فلور ایف جے بلازہ، کالج روڈ، ایف۔ ے مرکز، اسلام آباد میں قرار پایا ہے۔

عمومی کاروبار

۱۔ 28 اکتوبر 2021 کو منعقدہ چھتیسواں سالانہ اجلاس، 13 جنوری 2022 کو منعقدہ غیر معمولی جنرل میٹنگ (EOGM) اور 08 ستمبر 2022 کو منعقدہ EOGM کے منٹ کی تصدیق کرنا۔

۲۔ 30 جون 2022 کو اختتام پذیر سال کے لیے آڈٹ شدہ مالی سٹیٹمنٹ بمع ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، زیر غور کرنا اور اس کو قبول کرنا۔

۳۔ 30 جون 2023ء سال کے لیے آڈیٹرز کو مقرر کرنا اور ان کا معاوضہ طے کرنا۔

۳۔ چیئرمین کی اجازت سے دوسرے معاملات لین دین کے طے کرنا۔

بحکم بورڈ آف ڈائریکٹرز

سیدہ انصاری

کمپنی سیکرٹری

اسلام آباد: 07 اکتوبر 2022

سالانہ جنرل میٹنگ (AGM) کے لیے فزیکل میٹنگ کے علاوہ برقی ذرائع سے ممبران کی شرکت:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکل نمبر 4 مورخہ 15 فروری 2021 کے ذریعے لٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ جسمانی میٹنگز کے علاوہ الیکٹرانک ذرائع سے جنرل میٹنگ میں ممبران کی شرکت کو یقینی بنائیں۔ شیئرز ہولڈرز کو کمپنی کی طرف سے منعقدہ الیکٹرانک سہولت کے ذریعے AGM میں شرکت کرنے کی بھی ترغیب دی جاتی ہے۔ اس سہولت کے لیے الیکٹرانک ذرائع سے حصہ لینے کا ارادہ رکھنے والے شیئرز ہولڈرز سے درخواست کی جاتی ہے اپنے آپ کو M/S JWAFFS Registrar Services (Pvt.) Ltd کے ساتھ [jwaffs@live.com](mailto:jwaffs@live.com) پر سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے رجسٹرڈ کروائیں۔ شیئرز ہولڈرز حصص یافتگان کی تصدیق اور شناخت مکمل کرنے کے بعد لاگ ان اور AGM کی کارروائی میں حصہ لے سکیں گے۔ لاگ ان کی سہولت 28 اکتوبر 2022 کو صبح 10:00 بجے کھولی جائے گی جس سے شرکاء 1 کارروائی میں شامل ہو سکیں گے جو صبح 10.30 بجے شروع ہوگی۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ درج ذیل فارمیٹ کے مطابق معلومات فراہم کریں۔ ویڈیو لنک کی تفصیلات شیئرز ہولڈرز کو نیچے دیے گئے ای میل ایڈریس پر بھیجی جائیں گی۔

نمبر شمار	نام حصص یافتہ	شناختی کارڈ نمبر	فولیو نمبر	موبائل نمبر	ای۔ میل ایڈریس

۱۔ حصص کی منتقلی کی کتاب بند۔

شیئرز کی منتقلی کی کتابیں 21 اکتوبر 2022 سے 28 اکتوبر 2022 (بشمول دونوں دن) تک بند ہیں گی۔ ٹرانسفر شیئرز رجسٹرار کی موصولی میسرز

JWAFFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ، ۳۰۷-۳۰۸، ال امیر سینٹر، شاہراہ عراق، صدر، کراچی میں ۲۰ اکتوبر ۲۰۲۲ کو کاروباری وقت ختم ہونے

تک موصول ہونے والی منتقلی پر بروقت عمل ہوگا جس کا مقصد اس سالانہ اجلاس میں بیان ہوگا۔



## ۲۔ اجلاس میں شرکت داررکن یا وہ کسی نمائندے کو مقرر۔

اجلاس میں شرکت داررکن ووٹ ڈالنے کا اہل ہے یا وہ کسی نمائندے کو مقرر کر سکتا ہے کہ وہ اس کی جگہ تقریباً موجودگی یا ووٹ دینے کا مجاز ہے مقرر کردہ نمائندہ کے پاس مختار نامہ پر دستخط ہونے چاہیے یا پھر نوٹری سے تصدیق شدہ مختار نامہ کمپنی کے رجسٹرار آفس میں اجلاس سے تقریباً ۴۸ گھنٹے پہلے جمع کروانے ہونگے۔ کاروباری ادارہ کے معاملہ میں، بورڈ آف ڈائریکٹرز کی قرارداد مختار نامہ جس پر نامہ شخص کے نمونہ کے دستخط موجود ہوں وہ اجلاس کے موقع پر پیش کریں گا۔ انفرادی شرکت دار یا کاروباری ادارہ سینٹرل ڈیپازٹری کمپنی نمائندہ کو اجلاس کے موقع پر اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا کھاتہ نمبر CDC پیش کر کے شناخت کروانی ہوگی۔

## ۳۔ پوسٹل بیلت

اراکین پوسٹل بیلت کا استعمال ووٹ کے حق کے لیے کر سکتے ہیں کمپنی ایکٹ ۲۰۱۷ کے سیکشن ۱۴۵-۱۴۳ اور پوسٹل بیلت ریگولیشن ۲۰۱۸ کے تحت یہ قابل عمل ہے۔

## ۴۔ ایڈریس کی تبدیلی اور زکوٰۃ کا اعلامیہ

حصص یافتگان کو درخواست کی جاتی ہے کہ وہ اپنے ایڈریس کی تبدیلی اور زکوٰۃ کا اعلامیہ موجودہ صورت حال کی کمپنی میسر JWAFFS رجسٹرار سروسز (پرائیویٹ) لمیٹڈ کو اطلاع کریں۔

## ۵۔ شناختی کارڈ کی فراہمی (لازمی)

انفرادی حصص داران کو ایک دفعہ شناختی کارڈ کی نقل کی فراہمی کی یاد دہانی کروائیں اگر پہلے کمپنی کے حصص کی رجسٹرار، سینٹرل ڈیپازٹری پاکستان لمیٹڈ، کے وقت مہیا نہیں کیا گیا۔

## ۶۔ غیر دعویٰ اور منافع

سیکشن ۲۴۴ کمپنی ایکٹ ۲۰۱۷ کے تحت کوئی بھی حصص یا منافع کا اعلان کمپنی کی طرف سے کیا جائے اور وہ تین سال کے لیے غیر دعویٰ اور بلا معاوضہ ہو تو اس کی منتقلی کمپنی ایکٹ ۲۰۱۷ کے تحت وفاقی حکومت کو جائے گا۔

## ۷۔ بذریعہ ای میل سالانہ رپورٹ کی تقسیم

سیکشن (۶) ۲۲۳، کمپنی ایکٹ ۲۰۱۷ کے تحت کمپنیوں کو ان کی سالانہ مالی اسٹیٹمنٹ، آڈیٹ رپورٹ اور ڈائریکٹرز رپورٹ وغیرہ کی اجازت ہے۔ (سالانہ رپورٹ) اور سالانہ اجلاس عام کانوٹس بذریعہ ای میل حصص داران کو کرنا۔ کمپنی کے حصص داران جو چاہتے ہیں کہ ان کو کمپنی کی سالانہ رپورٹ اور نوٹس برائے سالانہ اجلاس عام ان کو ای میل کے ذریعہ مہیا ہو تو اس سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ پر مکمل معلومات مرکزی ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کو فراہم کریں۔

## ۸۔ سالانہ آڈٹ شدہ کھاتوں کی گردش بذریعہ ویب سائٹ

ایس ای سی پی نے ایس اے آر او نمبر ۱۲۰۱۴ (آئی) ۶۳۴ جہاں ہر کمپنی اپنی ویب سائٹ کو برقرار رکھے گی اس سلسلے میں ایس اے آر او نے کہا ہم پسند کریں گے کہ حصص ہولڈر اپنی کمپنی کی سالانہ رپورٹ جو کہ سال ۲۰۲۱ جون کے اختتام کی ہے اس کو اپنی ویب سائٹ پر شائع کریں اور اس کی مکمل رسائی فراہم کریں۔



## ۹۔ ویڈیو کانفرنس کی سہولت

کمپنی عام اجلاس کی انعقاد سے سات دن پہلے کمپنی کے اراکین کو بلا سکتے ہیں شہر میں رہائش پذیر ہو، جو کمپنی کا ۱۰ فیصد کل ادا شدہ سرمایہ رکھتا ہو، اس کو ویڈیو لنک مہیا کیا جائے اور ایسی اراکین سالانہ اجلاس عام میں شرکت کر سکتے ہیں اگر آپ اس سہولت سے فائدہ حاصل کرنا چاہتے ہیں تو کمپنی کی ویب سائٹ پر دیا ہوا فارم پر کریں اور کمپنی کو بھیجوا دیں۔ کمپنی ویڈیو کانفرنس کے لیے اراکین کی موجودگی اور جگہ کا تعین کریں گی اگر معیارات مکمل ہو جاتے ہیں تو اجلاس سے سات دن پہلے مکمل معلومات فراہم کی جائے تاکہ آپ اس سہولت سے فائدہ اٹھائے۔

میں / ہم \_\_\_\_\_ بطور ممبر، اے۔ ڈی۔ او۔ ایس پاکستان، رجسٹرڈ فولیو / سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ کے مطابق \_\_\_\_\_ عام حصص رکھتا ہوں / رکھتے ہیں \_\_\_\_\_ میں ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتا ہوں / چاہتے ہیں۔ دستخط \_\_\_\_\_ ممبر \_\_\_\_\_

## ۱۰۔ اصل حصص کو مرکزی ڈپازٹری کمپنی میں جمع کروانا۔

کمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۷۲ کے مطابق تمام لسٹڈ کمپنیوں کو ایکٹ کے اجراء کے چار سال کے اندر ان کے جاری کردہ شیئرز کو حقیقی شکل میں بک انٹری فارم میں تبدیل کرنا ہوگا۔ اس کے مطابق، کمپنی کے تمام شیئرز ہولڈرز جن کے پاس حقیقی فولیوز / شیئرز ٹھیکیت ہیں ان سے درخواست کی جاتی ہے کہ وہ جلد از جلد اپنے شیئرز کو بک انٹری فارم میں تبدیل کریں۔



**PATTERN OF HOLDING OF SHARES  
HELD BY THE SHAREHOLDERS**

**AS AT JUNE 30, 2022**

Number of Shareholders	Shareholding From	-	To	Total Number of Shares Held
93	1	-	100	3908
610	101	-	500	298373
48	501	-	1000	47009
52	1001	-	5000	159110
13	5001	-	10000	110500
7	10001	-	15000	88000
10	15001	-	20000	188000
3	20001	-	25000	66500
2	25001	-	30000	53500
1	30001	-	35000	30500
1	35001	-	40000	36500
1	45001	-	50000	50000
1	60100	-	65000	60500
1	70001	-	75000	72000
1	205001	-	210000	209000
1	250001	-	255000	250500
3	676001	-	681000	2040200
1	2815001	-	2820000	2818500
<b>849</b>				<b>6582600</b>

Note: The slabs not applicable have not been shown.

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage %
Financial Institutions	3	50700	00.77%
Individuals	843	6529399	99.19%
Joint Stock Companies	3	2501	00.04%
	<b>849</b>	<b>6582600</b>	<b>100%</b>





**Statement of Compliance  
with Listed Companies (Code of Corporate Governance) Regulations, 2019**

**Name of Company: ADOS Pakistan Limited**

**Year ending: 30<sup>th</sup> June 2022**

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

1. The total number of directors are nine (09) as per the following:

- a. Male: 05
- b. Female: 04

2. The composition of the Board is as follows:

- a) **Independent Director**
  - (1) Mr. Muhammad Fahd Shafi
- b) **Executive Directors**
  - (1) Mr. Zia Akbar Ansari
  - (2) Mr. Shehryar Akbar Ansari
  - (3) Mr. Asfandyar Akbar Ansari
- c) **Non-Executive Director**
  - (1) Mr. Bakhtiyar Akbar Ansari
- d) **Female (Non-Executive) Director**
  - (1) Ms. Suboohi
  - (2) Mrs. Shoobarna Zia Ansari
  - (3) Mrs. Aylin Ansari
  - (4) Mrs. Aysha Masood

The Company initiated the process of enlisting the independent director in data bank as notified by Securities and Exchange Commission of Pakistan but the process has been stopped during the year due to application of delisting of shares of the Company filed to Pakistan Stock Exchange (PSX).

- 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained by the Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of Companies Act, 2017 (the “Act”) and these Regulations.



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

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

Presently, three (03) directors of the Company meet the exemption requirement of the Director's Training Program (DTP), while six (06) directors shall obtain certification under the DTP in due course of time in accordance with Regulation 20(2) of the Code as the new board was elected on October 20, 2020 while directors training program for rest of the directors could not be arranged during the year due to Company's perusal of delisting of its shares from PSX.

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**

- |                              |                     |
|------------------------------|---------------------|
| (1) Mr. Muhammad Fahd Shaffi | : Chairman & Member |
| (2) Mrs. Aylin Ansari        | : Member            |
| (3) Ms. Suboohi Ansari       | : Member            |

b) **Human Resource and Remuneration (HR&R) Committee**

- |                               |                      |
|-------------------------------|----------------------|
| (1) Mr. Muhammad Fahd Shafi   | : Chairman & Member  |
| (2) Mrs. Shoobarna Zia Ansari | : Member             |
| (3) Ms. Suboohi               | : Member & Secretary |
| (4) Mrs. Aysha Masood         | : Member             |
| (5) Mrs. Aylin Ansari         | : Member             |

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 (quarterly/ yearly) of the Committees for the year, which ended on June 30, 2022, was as per following:

**Meetings Frequency**

<u>Serial #</u>	<u>Name</u>	<u>Total Meetings Held</u>
a.	Audit Committee	5
b.	HR & R Committee	1

15. The Board has set up an effective internal audit function. The auditors 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP 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, 7, 8, 27, 33 and 36 of the Regulations have been complied with. However, requirements of regulations 6 will be fully complied not later than expiry of Board's current term.

Mrs. Shoobarna Zia Ansari  
Chairman – Board of Directors

Zia Akbar Ansari  
Chief Executive Officer/Director

Date: October 07, 2022





## DIRECTOR'S REPORT TO THE MEMBERS

Gentlemen,

The Directors of the company take pleasure in placing before you the 37<sup>th</sup> Annual Report together with the Audited Accounts, Auditor's Report, Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Auditor's Review Report on it thereon.

The financial results for the year ended June 30, 2022 are as follows:

	2022	2021
	------(Rupees)-----	
Profit/(Loss) after Taxation	109,684,181	(17,281,393)
Other Comprehensive Income/(loss) for the year	(1,958,026)	(667,879)
Un-appropriated Profit/(Loss) brought forward	(64,391,947)	(46,442,675)
	<u>43,334,208</u>	<u>(64,391,947)</u>
Basic and Diluted Earnings/(loss) per share	16.66	(2.63)

1. During the Financial year the Board of Directors decides that ADOS Pakistan Limited be delisted from Pakistan Stock Exchange ("PSX") under rule 5.14 of Voluntary Delisting rules of the PSX Rule Book (the "Rule Book") because the Company has been suffering losses since financial year ended 2017 and the Company's value proposition is not sustainable due to the severe reduction in Oil & Gas drilling activity in Pakistan, as mentioned in the previous directors' reports. The company's products are being sold at dumping rates by foreign firms trying to capture market share. Change in government policies has acted against the interest of local manufacturers in the oil in gas sector, specifically SRO 678 & SRO 821 and the nature of the product and market has changed so significantly that the company will not reasonably be able to generate enough revenue to cover minimum operational requirements, even if the local Oil & Gas sector recovers. The external product & quality certification required to manufacture products for customers has been lost due to limited financial and human resources, drastically affecting the scope of work that can be accessed in the next five to ten years.
2. The Company has sold the land and building of Plot No. 43, Phase III, Industrial Estate of Hattar, KPK after getting approval in the Extra Ordinary General Meeting held on January 13, 2022.
3. The management wants to state that the gross loss for the year ended June 30, 2022 amounting to Rs. 11,801,150 is due to weak turnover.
4. 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 and the recovery of tax refundable from Government as well as the continuing cost reduction measures to continue as a going concern. The performance of the company directly correlates with the exploration activity in the country. Further, as stated before 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. Additionally, departure announcement of large clients such as ENI & Weatherford from the



Pakistan market is having a negative impact on sales. 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.

5. The management has decided not to pay dividend for the year ended June 30, 2022 keeping in view future cash flow requirements of the company.

6. 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 vis a vis its applicability on the company after anticipated ending of delisting process.

7. The management also fully intends to comply with the requirement of Clause 19 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. In this regard, as the company applied delisting application during the year the required directors didn't manage to take Director's training program during the year. In this regard, the company will be fully compliant vis a vis its applicability on the company after anticipated ending of delisting process.

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.

#### **STATEMENT ON CORPORATE GOVERNANCE**

- i. The Board is pleased to certify that:
- ii. A vision and mission statement monitoring the effectiveness of the company's governance practices and overall corporate strategy for the company is prepared, adopted and reviewed as and when deemed appropriate by the board.
- iii. A formal code of conduct is in place that promotes ethical culture in the company and prevents conflicts of interest in their capacity as member of the board, senior management and other employees. The board takes appropriate steps to disseminate code of conduct throughout the company along with supporting policies and procedures.
- iv. Adequate systems and controls are in place for identification and redressal of grievances arising from unethical practices.
- v. A system of sound internal control is established, which is effectively implemented and maintained at all levels within the company.
- vi. A formal and effective mechanism is put in place for an annual evolution of the Board's own performance, members of the Board and of its committees.
- vii. The financial statements prepared by the management of the listed Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- viii. Proper books of accounts of the listed Company have been maintained.



- ix. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- x. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and financial statements together with notes thereto have been drawn in conformity with Companies Act, 2017.
- xi. There are reasonable expectations that the Company has adequate resources to continue as a going concern.
- xii. There has been no material departure from the best practices of corporate governance.
- xiii. The Company's revenue has increased as of previous year. The overall low turnover is due to decrease in the orders received during the year.
- xiv. The Company fully supports green environment and put in place measures of plantation to reduce pollution.
- xv. The Company fully supports and is actively complying with its corporate social responsibilities.
- xvi. All necessary steps are being taken by the Directors to ensure the effectiveness of the Company's internal financial control systems up to and including the date of approval of financial statements. This has regard to all material controls, including financial, operational and compliance controls that could affect the company's business.
- xvii. On recommendation of Audit Committee, the Board recommends appointment of Grant Thornton Anjum Rahman, Chartered Accountants to continue as external auditors of the Company for the year ending June 30, 2023.
- xviii. Key financial statistics for the last six years have been given separately.
- xix. Pattern of shareholding of the Company in accordance with section 227(2)(f) of the Companies Act, 2017 is attached to this report.

**Composition of the Board:**

1. The total number of directors are nine (09) as per the following:
  - a. Male: 05
  - b. Female: 04
2. The composition of the Board is as follows:
  - e) **Independent Director**  
(2) Mr. Muhammad Fahd Shafi
  - f) **Non-Executive Director**  
(2) Mr. Bakhtiyar Akbar Ansari
  - g) **Executive Directors**  
(4) Mr. Zia Akbar Ansari



- (5) Mr. Shehryar Akbar Ansari
- (6) Mr. Asfandyar Akbar Ansari

**h) Female (Non-Executive) Directors**

- (1) Ms. Suboohi
- (2) Mrs. Shoobarna Zia
- (3) Mrs. Aylin Ansari
- (4) Mrs. Aysha Masood

Board current tenure will expire on October 20, 2023.

**BOARD COMMITTEES:**

**c) Audit Committee**

- (4) Mr. Muhammad Fahd Shaffi : Chairman & Member
- (5) Mrs. Aylin Ansari : Member
- (6) Ms. Suboohi : Member

**d) Human Resource and Remuneration (HR&R) Committee**

- (6) Mrs. Shoobarna Zia Ansari : Member
- (7) Ms. Suboohi : Member & Secretary
- (8) Mrs. Aysha Masood : Member
- (9) Mrs. Aylin Ansari : Member
- (10) Mr. Muhammad Fahd Shafi : Chairman & Member

**BOARD MEETINGS & GENERAL MEETINGS:**

During the year Five (5) board meetings, an Annual General Meeting and an Extraordinary General Meeting were held. Attendance by each Director & CEO is as follows:

Name of Directors & CEO	Attendance
Mr. Zia Akbar Ansari	07
Ms. Suboohi	07
Mrs. Shoobarna Zia Ansari	07
Mr. Shehryar Akbar Ansari	07
Mr. Muhammad Fahd Shaffi	07
Mr. Asfandyar Akbar Ansari	07
Mrs. Aysha Masood	07
Mrs. Aylin Ansari	07
Mr. Bakhtiyar Akbar Ansari	07

**EARNINGS PER SHARE:**

Earnings per share for the year ending June 30, 2022 is Rs. 16.66



**REMUNERATION POLICY OF EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS:**

Executive directors including chief executive are paid remuneration and other benefits approved by the members as per policy while currently, no salary or allowance/benefit etc. of any kind is available to the non-executive and independent directors of the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CRS):**

ADOS endeavors to be a responsible corporate citizen, being aware of its social obligations, it continues to proactively promote, develop and maintain medical, social and welfare activities for the benefit of local communities through donations.

**CATEGORIES AND PATTERN OF SHARE HOLDING:**

The Categories and Pattern of Shareholding as required by the Companies Act, 2017 is attached with this report. Additional information is given, as under:

<u>Shareholder's Category</u>	<u>Number of Shareholders</u>	<u>Number of Shares Held</u>	<u>Percentage %</u>
Financial Institutions	3	50700	00.77%
Individuals	843	6529399	99.19%
Joint Stock Companies	3	2501	00.04%
	<b>849</b>	<b>6582600</b>	<b>100%</b>

**Financial Institutions:**

	<b>Shares held</b>	<b>%</b>
National Bank of Pakistan	50000	0.760
Bankers' Equity Limited	400	0.006
Asian Development Bank	300	0.004

**Joint Stock Companies:**

Ihsan Cotton Products (Private) Limited	1000	0.015
Maple Leaf Capital Limited	1	0.000
MRA Securities Limited-MF	1500	0.022

**Directors, CEO, and their Spouse**

Mr. Zia Akbar Ansari	CEO/Director	2818500	42.82
Mrs. Shoobarna Zia Ansari	Director	22000	00.34
Ms. Saboohi	Director/CS	20000	0.30
Mr. Shehryar Akbar Ansari	Director	680200	10.33
Mrs. Muhammad Fahd Shaffi	Director	100	0.002
Mr. Aysha Masood	Director	100	0.002
Mr. Asfandyar Akbar Ansari	Director	680000	10.33
Mr. Aylin Ansari	Director	100	0.002
Mr. Bakhtiyar Akbar Ansari	Director	680000	10.33

The CEO, Directors, Company Secretary, CFO and their spouses have made no sale/purchase of Company's shares during the financial year ended June 30, 2022.





Moreover, the directors of the company have not been appointed as a director in more than seven other listed Companies and no spouse of the directors of the company is involved in the business of brokerage.

Shareholders holding ten percent or more voting interest in the Company:

	<b>Shares held</b>
Mr. Zia Akbar Ansari	2818500
Mr. Shehryar Akbar Ansari	680200
Mr. Asfandyar Akbar Ansari	680000
Mr. Bakhtiyar Akbar Ansari	680000

For and on behalf of the Board

**ZIA AKBAR ANSARI**  
*CHIEF EXECUTIVE OFFICER & DIRECTOR*

*Islamabad, October 07, 2022*

**SHEHRYAR AKBAR ANSARI**  
*DIRECTOR*



## ڈائریکٹرز رپورٹ برائے ممبران

حضرات:

کمپنی کے ڈائریکٹرز کو آپ کے سامنے سینتیس سالانہ اجلاس عام رپورٹ بمعہ آڈٹ شدہ اکاؤنٹس، اڈیٹر کی رپورٹ، لسٹڈ کمپنیوں میں موجود شیئرنٹ آف کمپلائنس (کوڈ آف کارپوریٹ گورننس) سال 2019 اور اڈیٹر کی ریویو رپورٹ رکھ کر خوشی ہے مالی سال کے مالی نتائج جو 30 جون، سال 2022 کو حاصل ہوئے کی تفصیل درج ذیل ہے:

2021 سال	2022 سال	
روپے (17,281,393)	109,684,181 روپے	ٹیکس دینے کے بعد خسارہ
روپے (667,879)	(1,958,026) روپے	مالی سالی کے دوسرے جامع خسارے
روپے (46,442,675)	(64,391,947) روپے	سابقہ غیر مخصص منافع
روپے (64,391,947)	43,334,208 روپے	
روپے (2.63)	16.66 روپے	بنیادی اور مخفف آمدنی فی حصہ:

1- مالیاتی سال کے دوران بورڈ آف ڈائریکٹرز فیصلہ کیا ہے کہ ADOS پاکستان لمیٹڈ کو پاکستان اسٹاک ایکچینج ("PSX") سے PSX رول بک ("رول بک") کے رضا کارانہ ڈی لسٹنگ قوانین کے قاعدہ 5.14 کے تحت خارج کر دیا جائے کیونکہ کمپنی مالی سال 2017 کے ختم ہونے کے بعد سے نقصانات کا سامنا کرنا پڑ رہا ہے اور پاکستان میں تیل اور گیس کی کھدائی کی سرگرمیوں میں شدید کمی کی وجہ سے کمپنی کی قیمت پائیدار نہیں ہے، جیسا کہ گزشتہ ڈائریکٹرز کی رپورٹوں میں بتایا گیا ہے۔ کمپنی کی مصنوعات مارکیٹ شیئر حاصل کرنے کی کوشش کرنے والی غیر ملکی فرمیں ڈمپنگ ریٹ پر فروخت کر رہی ہیں۔ حکومتی پالیسیوں میں تبدیلی نے گیس کے شعبے میں تیل میں مقامی مینوفیکچررز کی دلچسپی کے خلاف کام کیا ہے، خاص طور پر 678 SRO اور 821 SRO اور مصنوعات اور مارکیٹ کی نوعیت اتنی نمایاں طور پر تبدیل ہو گئی ہے کہ کمپنی معقول حد تک اس قابل نہیں ہو سکے گی کہ وہ تیل کے لیے خاطر خواہ آمدنی حاصل کر سکے۔ کم از کم آپریشنل ضروریات کو پورا کریں، چاہے مقامی تیل اور گیس کا شعبہ ٹھیک ہو جائے۔ محدود مالی اور انسانی وسائل کی وجہ سے صارفین کے لیے مصنوعات تیار کرنے کے لیے درکار بیرونی پروڈکٹ اور کوالٹی سرٹیفیکیشن ختم ہو گیا ہے، جس سے کام کے دائرہ کار کو بہت زیادہ متاثر ہو رہا ہے جس تک اگلے پانچ سے دس سالوں میں رسائی حاصل کی جاسکتی ہے۔

2- کمپنی نے 13 جنوری 2022 کو ہونے والے ایکسٹرا آرڈینری میٹنگ میں منظوری حاصل کرنے کے بعد پلاٹ نمبر 43، فیروز III، صنعتی اسٹیٹ آف حطار، کے پی کے کی زمین اور عمارت فروخت کر دی ہے۔

3- انتظامیہ بتانا چاہتی ہے کہ 30 جون 2022 کو ختم ہونے والے سال کے لیے مجموعی نقصان جو کہ 11,801,150 روپے کے ہیں جس کی وجہ کم فروخت کا حجم اور کم منافع ہیں۔

4- جاری تشویش کے مفروضے کی درستی کے لیے نقصانات کو مد نظر رکھتے ہوئے، کمپنی کی پیشن گوئی کے مطابق اپنے آپریشن سے کافی نقد بہاؤ پیدا کرنے کی صلاحیت اور حکومت سے قابل واپسی ٹیکس کی وصولی کے ساتھ ساتھ لاگت میں کمی کے مسلسل اقدامات پر منحصر ہے۔ جاری تشویش کے طور پر جاری رکھنے کے لیے۔ کمپنی کی کارکردگی ملک میں تلاش کی سرگرمیوں سے براہ راست تعلق رکھتی ہے۔ مزید، جیسا کہ پہلے کہا گیا تھا کہ مقامی مینوفیکچررز کو فراہم کردہ تحفظات آہستہ آہستہ واپس لے لیے گئے ہیں، اور غیر ملکی سپلائرز جنہیں 18% تک برآمدی چھوٹ ملتی ہے وہ مقامی صنعت کی قیمت پر پاکستان میں سامان ڈمپ کر رہے ہیں۔ مزید برآں، پاکستان مارکیٹ سے ENI اور Weatherford جیسے بڑے کلائنٹس کی روانگی کا اعلان سیلز پر منفی اثر ڈال رہا ہے۔ انتظامیہ ان غیر متوقع حالات میں زندہ رہنے کے لیے اپنی پوری کوششیں کر رہی ہے۔

ڈائریکٹرز 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۔

5- مستقبل کے کیش فلواؤ کمپنی کی ضروریات کو مد نظر رکھتے ہوئے مینجمنٹ نے فیصلہ کیا ہے کہ 30 جون 2021 کے سال میں احتتام میں منافع ادا نہیں کیا جائے گا۔

6- تجویز کردہ لیسٹیڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019، کے سیکشن 19 اور مضمون VI کے مطابق ڈائریکٹرز بینگ پروگرام کے مطابق عمل



کرنے پر مینجمنٹ نے ارادہ کیا ہے۔

۷۔ انتظامیہ مکمل طور پر لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 6 کی تعمیل کا بھی ارادہ رکھتی ہے۔ ڈائریکٹرز نے اس موافقے میں مینجمنٹ، ورکرز رپریزنٹیشنل سبکدوش، مینیکرا اور حصص داران کے تعاون اور حمایت کرنے پر ان کا شکریہ ادا کرتے ہیں۔

### کارپوریٹ گورننس پر بیان:

- (ا) بورڈ تصدیق کرتے ہوئے خوشی محسوس کرتا ہے۔
- (ب) کمپنی کے حکمرانی طریق کار کی تاثیر اور کمپنی کے لئے کارپوریٹ حکمت عملی کی نگرانی کرنے والا وژن اور مشن بیان بورڈ کے ذریعہ جب مناسب سمجھا جاتا ہے تو تیار، جائزہ اور اپنا لیا جاتا ہے۔
- (ت) ایک باضابطہ ضابطہ اخلاق موجود ہے جو کمپنی میں اخلاقی ثقافت کو فروغ دیتا ہے بورڈ حمایتی پالیسیاں طریقہ کار کے ساتھ ساتھ پوری کمپنی میں ضابطہ اخلاق کو پھیلانے کے لئے مناسب اقدامات کرتا ہے۔
- (ث) غیر اخلاقی طریقوں سے پیدا ہونے والی شکایات کی نشاندہی اور ان کے لئے کافی سسٹم اور کنٹرول موجود ہے۔
- (ج) اندرونی کنٹرول کا نظام قائم کیا گیا ہے جو کمپنی کے اندر ہر سطح پر موثر طریقے سے نافذ اور برقرار ہے۔
- (چ) بورڈ کی اپنی کارکردگی بورڈ کے ممبران اور اس کی کمیٹیوں کے سالانہ ارتقا کے لئے ایک باضابطہ اور موثر طریقہ کار وضع کیا گیا ہے۔
- کہ مالی بیانات جو لسٹڈ کمپنیوں کی مینجمنٹ نے تیار کئے ہیں وہ معاملات، اپریشنوں کے نتائج، کیش فلو اور اکویٹی میں تبدیلیوں کے بارے میں اچھے ہیں۔

(ح) لسٹڈ کمپنیوں کے اکاؤنٹس کے لئے مناسب رجسٹر مرتب کئے گئے ہیں۔

(خ) تخمینوں کے حساب اور مالی بیانات کی تیاری میں لگاتار مناسب اکاؤنٹنگ پالیسیاں اپنائی گئی ہیں جو معقول اور عقلمندانہ ہیں۔

(د) پاکستان میں مروجہ انٹرنیشنل فنانشل رپورٹنگ معیار کو مالی بیانات کی تیاری میں اپنایا گیا ہے بمعہ نوٹس جو کمپنی ایکٹ 2017 کے مطابق ہیں۔

(ڈ) اندرونی مالیاتی کنٹرول بالکل ٹھیک ہے جس کو مکمل طور پر لاگو کیا گیا ہے اور جس کی نگرانی کی گئی ہے

(ذ) معقول توقعات پائی جاتی ہیں کہ کمپنی کے پاس کافی وسائل ہیں جس سے وہ اپنے اپریشنز جاری رکھ سکتی ہے۔

(ر) کارپوریٹ گورننس کی بہترین پریکٹس کی وجہ سے کسی میٹریل (مواد) کی روانگی نہیں پائی جاتی۔

(ڑ) گذشتہ سال کے مقابلے میں کمپنی کی آمدن میں اضافہ واقع ہوئی ہے۔ اس مالی سال کے دوران آرڈرز کی وصولی میں کمی، سیلز کی کمی کا واقع ہونا ہے۔

(س) کمپنی کی مینجمنٹ پر امید ہے کہ تیل کی قیمتوں میں استحکام کے ساتھ پاکستان میں جاری ای اینڈ پی کمپنیوں کی طرف سے ایکسپوریشن میں تیزی آئی گی جس وجہ سے کمپنی کو آرڈرز موصول ہوں گے جس وجہ سے کمپنی کی ترقی کا مستقبل بھی پائیدار ہوگا۔ کمپنی کی مینجمنٹ سیلز کے حجم میں بہتری کے لئے اپنی بزنس کو مختلف انواع میں تقسیم پر توجہ مرکوز کر رہی ہے۔

(ش) کمپنی سربز ماحول کو مکمل سپورٹ کرتی ہے اور شجرکاری میں شامل ہے تاکہ آلودگی میں کمی لائی جاسکے۔

(ص) کمپنی کارپوریٹ کی سماجی ذمہ داریوں کو مکمل سپورٹ کرتی ہے اور ان پر عملی طور پر عملدرآمد کر رہی ہے۔

(ض) ڈائریکٹرز تمام ضروری اقدامات اٹھا رہے ہیں تاکہ کمپنی کا انٹرنل فنانشل کنٹرول سسٹم بمعہ مالی بیانات کی منظوری کی تاریخ کو پر اثر اور جدید بنایا جاسکے بشمول میٹریل کنٹرول، مالی بیانات، اپریشنل اور عملدرآمد کنٹرول جو کمپنی کی بزنس کو پراثر بنائیں۔

(ط) آڈٹ کمیٹی کی سفارش پر بورڈ گرانٹ تھورنٹن انجم رحمان چارٹرڈ اکاؤنٹنٹس کی تعیناتی کی سفارش کرتا ہے کہ وہ کمپنی کے اکسپرٹل

آڈیٹرز کے طور مالی سال اختتام 30 جون سال 2023 کے لئے اپنی خدمات جاری رکھیں۔



(ظ) گذشتہ چھ سالوں کے اہم مالیاتی اعداد و شمار کو علیحدہ پیش کیا گیا۔  
(ع) کمپنی میں شیئر ہولڈنگ کا طریقہ سیکشن 227(2)(f) کمپنی قانون 2017 کے مطابق ہے جو رپورٹ ہذا کے ساتھ منسلک ہے۔

### بورڈ کی تشکیل

(1) ڈائریکٹر کی کل تعداد نو ہے۔

(ا) مرد پانچ

(ب) عورت چار

(2) بورڈ کی تشکیل مندرجہ ذیل ہے۔

آزاد ڈائریکٹر

☆ مسٹر محمد فہد شفیع

غیر ایگزیکٹو ڈائریکٹر

☆ مسٹر بختیار اکبر انصاری

ایگزیکٹو ڈائریکٹر

☆ مسٹر ضیاء اکبر انصاری

☆ مسٹر شہر یار اکبر انصاری

☆ مسٹر اسفندیار اکبر انصاری

غیر ایگزیکٹو ڈائریکٹر (عورت)

☆ مس صبوحی

☆ مسز شوبارانہ ضیاء

☆ مسز عائشہ مسعود

☆ مسز آملین انصاری

بورڈ کی موجودہ مدت 20 اکتوبر 2023 کو ختم ہو جائے گی۔

بورڈ کمیٹی

آڈٹ کمیٹی

☆ مسٹر محمد فہد شفیع

☆ مس صبوحی

☆ مسز آملین انصاری

☆ مسز آملین انصاری

☆ مس صبوحی

☆ مسز شوبارانہ ضیاء

☆ مسز عائشہ مسعود

☆ مسز آملین انصاری

☆ مسٹر محمد فہد شفیع



## بورڈ کے اجلاس اور سالانہ جنرل اجلاس

مالی سال کے دوران اے جی ایم اور ای او جی ایم کے ۵ عدد اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر اور سی او او کی حاضریوں کی تفصیل مندرجہ ذیل ہے :

تعداد حاضری	نام ڈائریکٹر اور سی او او
-07	☆ جناب ضیاء کبر انصاری
-07	☆ محترمہ سیوہی
-07	☆ مسز شوبرنا ضیا انصاری
-07	☆ جناب شہریار کبر انصاری
-07	☆ جناب محمد شفیع
-07	☆ جناب اسفندیار کبر انصاری
-07	☆ مسز عائشہ مسعود
-07	☆ مسز آتلین انصاری
-07	☆ مسٹر بختیار کبر انصاری

### فی حصہ آمدنی:

فی حصہ آمدنی برائے مالی سال اختتام 30 جون سال 2022 16.66 روپے ہے۔

ایگزیکٹو، نان ایگزیکٹو اور آزاد ڈائریکٹروں کی اجرت کی پالیسی:

چیف ایگزیکٹو سمیت ایگزیکٹو ڈائریکٹرز کو پالیسی کے مطابق ممبران کی طرف سے منظور شدہ معاوضہ اور دیگر مراعات دی جاتی ہیں جبکہ فی الحال کمپنی کے نان ایگزیکٹو اور آزاد ڈائریکٹرز کو کسی قسم کی کوئی تنخواہ یا الاؤنس / فائدہ وغیرہ دستیاب نہیں ہے۔

### کارپوریٹ اجتماعی ذمہ داریاں :

اڈوس پوری کوشش کرتی ہے کہ وہ ایک ذمہ دار کارپوریٹ شہری ہے جو اس کے اجتماعی فرائض سے آگاہ ہے اور یہ ترقی، میڈیکل، اجتماعی اور رفاہ عامہ کی ترویج کے لئے اپنی سرگرمیوں کو جاری رکھے ہے تاکہ لوکل کمیونٹیز کو عطیات کے ذریعے فائدہ پہنچا سکے۔

### شیئر ہولڈنگ کی اقسام اور طریقہ :

شیئر ہولڈنگ کی اقسام اور ان کا طریقہ کمپنی ایکٹ 2017 کے مطابق بنایا گیا ہے جو رپورٹ ہذا کے ساتھ منسلک ہے۔ اضافی معلومات درج ذیل ہیں:

فیصد	شیئرز جو لئے گئے	شیئر ہولڈرز کی تعداد	شیئر ہولڈنگ کی اقسام
00.77%	50700	3	مالیاتی ادارے
99.19%	6529399	843	افراد
00.04%	22001	6	جائٹ سٹاک کمپنیاں
<b>100%</b>	<b>6582600</b>	<b>849</b>	<b>ٹوٹل</b>

### فی صد

0.760

0.006

### شیئرز کے مالک

50000

400

### مالیاتی ادارے

☆ نیشنل بینک آف پاکستان

☆ بینکز اکویٹی لمیٹڈ



0.004	300	☆ ایشین ڈویلپمنٹ بینک
		جائٹ سٹاک کمپنیاں
0.015	1000	☆ احسان کاٹن پروڈکٹس (پرائیویٹ) لمیٹڈ
0.000	1	☆ مپیل لیف کمپنیل لمیٹڈ
0.0228	1500	☆ ایم آراے سکیورٹیز لمیٹڈ

### ڈائریکٹرز، سی ای او اور ان کے شریک حیات:

42.82	2818500	سی ای او/ڈائریکٹر	مسٹر ضیاء اکبر انصاری
10.33	680200	ڈائریکٹر	مسٹر شہر یار اکبر انصاری
10.33	680000	ڈائریکٹر	مسٹر اسفندیار اکبر انصاری
0.34	22000	ڈائریکٹر	مسز شوپاراندہ ضیاء
0.002	100	ڈائریکٹر	مسز عائشہ مسعود
0.30	20000	ڈائریکٹر/سی ایس	مس صبوحی
0.002	100	ڈائریکٹر	مسز آنکلین انصاری
10.33	680000	ڈائریکٹر	مسٹر بختیار اکبر انصاری
0.002	100	ڈائریکٹر	مسٹر محمد فہد شفیع

سی ای او، ڈائریکٹرز، کمپنی سیکرٹری، سی ایف او اور ان کے شریک حیات نے 30 جون 2022 کو ختم ہونے والے مالی سال کے دوران کمپنی کے حصص کی کوئی فروخت/خریداری نہیں کی۔

مزید یہ کہ کمپنی کے ڈائریکٹرز کو دوسری ۷ عدد لسٹڈ کمپنیوں میں بطور ڈائریکٹر تعینات نہیں کیا گیا اور ان کا کوئی شریک حیات بروکریج کی برنس میں شریک نہیں۔

وہ شیئرز ہولڈرز جن کے پاس دس فیصد یا اس سے زیادہ شیئرز ہوں وہ کمپنی کے معاملات میں ووٹنگ کا حق رکھتے ہیں۔

شیئرز کی ملکیت کی تعداد

2818500	مسٹر ضیاء اکبر انصاری
680200	مسٹر شہر یار اکبر انصاری
680000	مسٹر اسفندیار اکبر انصاری
680000	مسٹر بختیار اکبر انصاری

مسٹر شہر یار اکبر انصاری  
ڈائریکٹر

بورڈ کی جانب سے

دستخط ضیاء اکبر انصاری  
چیف ایگزیکٹو / ڈائریکٹر

اسلام آباد 07 اکتوبر 2022



## SIX YEARS AT A GLANCE

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>Operating Results</b>						
<b>Sales</b>	146,198,787	21,820,970	73,893,573	38,068,978	107,962,144	427,290,524
<b>Gross Profit/(Loss)</b>	(11,801,150)	(5,879,601)	10,163,452	314,559	13,812,751	92,295,224
<b>Pre-Tax Profit/(Loss)</b>	134,921,370	(15,243,369)	(20,422,603)	(67,836,620)	(64,870,824)	(16,665,980)
<b>After-Tax Profit/(Loss)</b>	109,684,181	(17,281,393)	(28,223,970)	(68,562,908)	(91,983,625)	(32,357,445)
<b>Financial Position</b>						
<b>Current Assets</b>	205,837,669	155,309,661	209,397,332	231,427,237	236,462,109	351,641,844
<b>Current Liabilities</b>	116,664,632	180,341,105	227,273,503	227,019,497	171,501,084	228,275,824
<b>Operating Fixed Assets</b>	19,118,292	29,253,911	39,327,195	46,026,125	54,786,722	60,541,561
<b>Total Assets</b>	231,447,610	196,305,072	264,980,487	280,028,822	292,153,428	436,168,108
<b>Employees' Benefit Obligation</b>	3,556,432	7,280,474	6,077,674	6,322,948	5,913,130	5,095,762
<b>Shareholders' Equity</b>	109,160,208	1,434,053	19,383,325	46,686,377	114,739,214	207,892,284
<b>Ratios</b>						
<b>Current Ratio</b>	1.76	0.86	0.92	1.02	1.38	1.54
<b>Gross Profit/(Loss) to Sales</b>	(8.07)	(26.94)	13.75	0.83	12.79	21.60
<b>Net Profit/(Loss) to Sales</b>	75.02	(79.20)	(38.20)	(180.10)	(85.20)	(7.57)
<b>Breakup Value per share (Rs.)</b>	16.58	0.22	2.94	7.09	17.43	31.58
<b>Earnings/(loss) per share-Basic (Rs.)</b>	16.66	(2.63)	(4.29)	(10.42)	(13.97)	(4.92)





## CHAIRMAN'S REVIEW REPORT

I am pleased to welcome you at the 37<sup>th</sup> Annual General Meeting of your company and present on behalf of the board of directors, the annual report for the year ended June 30<sup>th</sup> 2022 along with my review on the performance of the company.

The Board evaluates its own performance through a mechanism developed by it. The reason for this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the company.

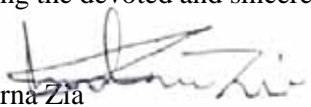
For the Financial year ended June 30, 2022, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The overall assessment is based on an evaluation of integral components, including vision, mission and values, engagement in strategic planning, formulation of policies, monitoring the company's business activities, monitor financial resource management, effective fiscal oversight, equitable treatment of all employees and efficiency in carrying out the Board's responsibility

The composition of the Board of Directors reflects rich experience in the fields of business, engineering and Oil & Gas sector. The Board provides strategic direction to the management and is available for guidance. The Board approves the goals and ensures that a competent and energetic team is in position to achieve the goals set. The Board ensures compliance of all regulatory requirements by the Management. Presently, three (03) directors of the Company meet the exemption requirement of the Director's Training Program (DTP), while six (06) directors shall obtain certification under the DTP in due course of time in accordance with Regulation 20(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 as the new board was elected on October 20, 2020 while directors training program for rest of the directors could not be arranged during the year due to Company's perusal of delisting of its shares from PSX.

During the Financial year the Board of Directors decides that ADOS Pakistan Limited be delisted from Pakistan Stock Exchange ("PSX") under rule 5.14 of Voluntary Delisting rules of the PSX Rule Book (the "Rule Book") because the Company has been suffering losses since financial year ended 2017 and the Company's value proposition is not sustainable due to the severe reduction in Oil & Gas drilling activity in Pakistan. 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 and with foreign E& P Companies leaving Pakistan. This has an overall negative impact on the orders to the company. Protections provided to local manufacturers have slowly also been withdrawn, and foreign suppliers who receive export rebates up to 18% are dumping goods in Pakistan at the expense of the local industry.

The Board is ably assisted by its Committees. The Audit Committee reviews the financial statements and ensures that the accounts fairly represent the financial position of the Company. It also ensures effectiveness of internal controls. The HR Committee overviews HR policy framework and recommends selection and compensation of senior management team. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

On behalf of the board of directors of your company. I would like to take this opportunity of acknowledging the devoted and sincere services of all employees and thankful to our shareholders

  
Mrs. Shoobarna Zia  
Chairman – Board of Directors  
Islamabad, October 07, 2022





## چیئر مین کی جائزہ رپورٹ

مجھے خوشی ہے کہ آپ کے سامنے سینتیس سالانہ اجلاس عام کے موقع پر میں آپ کا استقبال کر رہی ہوں اور مالی نتائج جو 30 جون، سال 2022 پر آپ کی کمپنی کی کارکردگی کی سالانہ رپورٹ اپنے جائزہ کے ساتھ بورڈ آف ڈائریکٹرز کی جانب سے پیش کر رہی ہوں۔

بورڈ اپنے تیار کردہ میکانزم کے ذریعے اپنی کارکردگی کا خود جائزہ لیتا ہے۔ اس تشخیص کی وجہ اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور تاثیر کو کمپنی کے لیے مقرر کردہ مقاصد کے تناظر میں توقعات کے خلاف ماپا اور پیچ مارک کیا جائے۔

مالی سال برائے 30 جون، سال 2022 کے لیے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی ہے۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزہ ضروری اجزاء کے انفرادی جائزے پر منحصر ہے جن میں دورانہ پیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کی ذمہ داریوں کو موثر انداز سے پورا کرنا شامل ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل کاروبار، انجینئرنگ اور تیل اور گیس کے شعبوں میں بھرپور تجربے کی عکاسی کرتی ہے۔ بورڈ انتظامیہ کو حکمت عملی فراہم کرتا ہے اور رہنمائی کے لیے دستیاب ہے۔ بورڈ اہداف کی منظوری دیتا ہے اور اس بات کو یقینی بناتا ہے کہ ایک قابل اور توانا ٹیم مقرر کردہ اہداف کو حاصل کرنے کی پوزیشن میں ہو۔ بورڈ انتظامیہ کی طرف سے تمام ریگولیٹری تقاضوں کی تعمیل کو یقینی بناتا ہے۔ فی الحال، کمپنی کے تین (03) ڈائریکٹرز ڈائریکٹرز ٹریڈنگ پروگرام (DTP) کی اسٹیٹس کی ضرورت کو پورا کرتے ہیں، جب کہ چھ (06) ڈائریکٹرز مقررہ وقت میں ڈی ٹی پی کے تحت سرٹیفیکیشن حاصل کریں گے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے طور پر نئے بورڈ کا انتخاب 20 اکتوبر 2020 کو ہوا تھا جبکہ کمپنی کی جانب سے PSX سے اپنے حصص کو ڈی لسٹ کرنے کی وجہ سے سال کے دوران باقی ڈائریکٹرز کے لیے ڈائریکٹرز کے تربیتی پروگرام کا اہتمام نہیں کیا جاسکا۔

مالی سال کے دوران بورڈ آف ڈائریکٹرز فیصلہ کرتا ہے کہ ADOS پاکستان لمیٹڈ کو پاکستان اسٹاک ایکسچینج ("PSX") سے PSX رول بک ("رول بک") کے رضا کارانہ ڈی لسٹنگ رولز کے قاعدہ 5.14 کے تحت خارج کر دیا جائے کیونکہ کمپنی کو نقصان ہو رہا ہے۔ چونکہ مالی سال 2017 ختم ہوا اور پاکستان میں تیل اور گیس کی کھدائی کی سرگرمیوں میں شدید کمی کی وجہ سے کمپنی کی قیمت کی تجویز پاسیدار نہیں ہے۔ کمپنی کو غیر ملکی فرموں کی ڈمپنگ سرگرمیوں کا بھی سامنا ہے اور چینی سپلائرز/کمپنیوں کو کاروبار میں شامل کرنے سے مسابقت میں بہت اضافہ ہوا ہے جس کے نتیجے میں کم آرڈرز اور کم منافع کا مارجن ہے تاکہ بولی لگانے کے عمل میں ریاستی ملکیتی کمپنیوں اور غیر ملکی E&E کے ساتھ مقابلہ کیا جاسکے۔ پی کمپنیاں پاکستان چھوڑ رہی ہیں۔ اس کا مجموعی طور پر کمپنی کے آرڈرز پر منفی اثر پڑتا ہے۔ مقامی مینوفیکچررز کو فراہم کردہ تحفظات بھی آہستہ آہستہ واپس لے لیے گئے ہیں اور غیر ملکی سپلائرز جنہیں 18 فیصد تک برآمدی چھوٹ ملتی ہے وہ مقامی صنعت کی قیمت پر پاکستان میں سامان پھینک رہے ہیں۔

بورڈ کی مدد کمیٹیوں کے ذریعے کی جاتی ہے۔ آڈیٹ کمیٹی مالی سٹیٹمنٹس کا جائزہ لیتا ہے اور اس بات کو یقینی بناتا ہے کہ کمپنی کی مالی حیثیت بہترین ہے۔ یہ اندرونی معاملات کو موثر بنانے پر یقین رکھتا ہے۔ ایچ آر کمیٹی، ایچ آر پالیسی کے فریم ورک اور تجویز اور سینئر مینجمنٹ ٹیم کا جائزہ لیتی ہے۔ بورڈ اپنی ذمہ داری کو مناسب طریقے سے نبھاتا ہے نان۔ ایگزیکٹو اور آزادانہ ڈائریکٹرز اہم فیصلوں میں برابر سے شرکت کرتے ہیں۔

اس موقع پر میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے تمام ملازمین کی پر خلوص اور بے لوث خدمات کا تبادلے سے معترف ہوں اور ہمارے کاروباری شراکت داروں کا شکریہ ادا کرتی ہوں۔

مسز شوبانہ ضیاء

چیئر مین بورڈ آف ڈائریکٹرز

اسلام آباد

۷ اکتوبر ۲۰۲۲

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**Grant Thornton Anjum  
Rahman**

302 B, 3rd Floor,  
Evacuee Trust Complex,  
Aga Khan Road, F-5/1,  
Islamabad, Pakistan.

**INDEPENDENT AUDITORS' REVIEW REPORT**

To the members of ADOS Pakistan Limited

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

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We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by Board of Directors of Ados Pakistan Limited (the Company) for the year ended June 30, 2022 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 provision 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 controls, the Company's corporate governance procedures and risks.

The Regulation 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 the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respect, with the requirement contained in the Regulations as applicable to the company for the year ended June 30, 2022.

Further, we highlight below instances of non - compliance with the requirements of the Regulations as reflected in the paragraph 2 to 18 where these are stated in the Statement of Compliance:

i- Paragraph 2 As disclosed in para 2 of the Statement of Compliance, the independent directors are less than one third of the total members of the Board and the independent director has not been selected from the data bank as notified by Securities and Exchange Commission of Pakistan.

ii- Paragraph 9 As disclosed in para 9 of the Statement of Compliance, the Board of the Company has not arranged Director's Training Program (DTP) for six directors out of nine.



Grant Thornton Anjum Rahman  
Chartered Accountants

Islamabad

October 07, 2022

UDIN: CR2022102091uBzUMhYE



## INDEPENDENT AUDITOR'S REPORT

To the members of ADOS Pakistan Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **ADOS Pakistan Limited** (the Company), which comprise the statement of financial position as at June 30, 2022 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, the comprehensive profit, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Emphasis of matter

We draw attention to note 13.3 to the annual financial statements, which describes the reason for provision for obsolescence and adjustment to stock in trade of Rs. 45,966,234. Our conclusion is not modified in respect of this matter.

### Material uncertainty relating to going concern

We draw attention to note 1.2 which indicates that the external product and quality certification of the Company has been cancelled and the Company has ceased its manufacturing activities subsequent to year end. These conditions along with other matter as set forth in respective note indicate that a material

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uncertainty exit that may cast significant doubt on the Company's ability to continue as going concern. Our opinion is not qualified in respect of this matter.

These conditions along with other matter as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

### **Key Audit Matters**

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

We have determined that there are no key audit matters to communicate in our report.

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

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

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

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

In preparing the 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 is responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 financial statements, including the disclosures, and whether the 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 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 Requirements

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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the 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 deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

  
Grant Thornton Anjum Rahman  
Chartered Accountants

Place: Islamabad

October 07, 2022

UDIN: AR202210209TC1nwSrdq

ADOS PAKISTAN LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022



	Note	June 30, 2022	June 30, 2021
		-----Rupees-----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	19,118,292	29,253,911
Right of use asset	7	6,091,649	10,152,749
Intangible asset	8	-	1,084,752
Long term loans and advances	9	-	103,999
Long term deposits	10	400,000	400,000
Deferred taxation	11	-	-
		<b>25,609,941</b>	<b>40,995,411</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	12	-	-
Stock in trade	13	-	57,092,244
Trade debts	14	77,348,483	5,103,385
Advances	15	208,935	60,060
Trade deposits and short term prepayments	16	3,011,234	905,443
Accrued interest on saving accounts		66,419	822
Tax refunds due from the Government	17	67,490,285	90,510,365
Cash and bank balances	18	57,712,313	1,637,342
		<b>205,837,669</b>	<b>155,309,661</b>
<b>TOTAL ASSETS</b>		<b>231,447,610</b>	<b>196,305,072</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Authorized share capital 7,000,000 (June 30, 2021: 7,000,000) ordinary shares of Rs. 10 each		<b>70,000,000</b>	<b>70,000,000</b>
Issued, subscribed and paid up share capital	19	65,826,000	65,826,000
Revenue reserve-unappropriated profit/ (loss)		43,334,208	(64,391,947)
		<b>109,160,208</b>	<b>1,434,053</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employees' benefit obligation	20	3,556,432	7,280,474
Lease liability	21	2,066,338	7,249,440
		<b>5,622,770</b>	<b>14,529,914</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	105,689,605	46,806,762
Current portion of lease liability	21	5,183,102	4,518,045
Due to director	23	-	123,224,373
Unclaimed dividend		5,791,925	5,791,925
		<b>116,664,632</b>	<b>180,341,105</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>231,447,610</b>	<b>196,305,072</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

The annexed notes 1 to 41 form an integral part of these financial statements.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR



ADOS PAKISTAN LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2022



		June 30, 2022	June 30, 2021
	Note	-----Rupees-----	
Revenue-net	25	146,198,787	21,820,970
Cost of sales/services	26	(157,999,937)	(27,700,571)
<b>Gross loss</b>		<b>(11,801,150)</b>	<b>(5,879,601)</b>
Administrative expenses	27	(43,756,060)	(36,597,361)
Other operating expenses	28	(19,416,769)	-
Other income	29	211,211,090	29,116,868
		148,038,261	(7,480,493)
<b>Profit / (loss) from operations</b>		<b>136,237,111</b>	<b>(13,360,094)</b>
Finance cost	30	(1,315,741)	(1,883,275)
<b>Profit / (loss) before income tax</b>		<b>134,921,370</b>	<b>(15,243,369)</b>
Taxation	31	(25,237,189)	(2,038,024)
<b>Profit / (loss) for the year</b>		<b>109,684,181</b>	<b>(17,281,393)</b>
Profit / (loss) per share - basic and diluted	32	16.66	(2.63)

The annexed notes 1 to 41 form an integral part of these financial statements.

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR



ADOS PAKISTAN LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED JUNE 30, 2022



	June 30, 2022	June 30, 2021
	-----Rupees-----	
Profit / (loss) for the year	109,684,181	(17,281,393)
Re-measurement (loss)/ gain on employees benefits obligation	(1,958,026)	(667,879)
Deferred tax charge on re-measurement gain on employees benefits obligation	-	-
Other comprehensive (loss)/ income for the year	(1,958,026)	(667,879)
	-	-
Total comprehensive income/ (loss) for the year	<u>107,726,155</u>	<u>(17,949,272)</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
 \_\_\_\_\_  
 CHIEF FINANCIAL OFFICER

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE

  
 \_\_\_\_\_  
 DIRECTOR

ADOS PAKISTAN LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022



	Issued, subscribed and paid up share capital	Revenue reserves Unappropriated Profit/(loss)	Total
	-----Rupees-----		
Balance as at July 01, 2020	65,826,000	(46,442,675)	19,383,325
Comprehensive income for the year			
Loss for the year ended June 30, 2021	-	(17,281,393)	(17,281,393)
Other comprehensive loss for the year	-	(667,879)	(667,879)
Balance as at June 30, 2021	65,826,000	(64,391,947)	1,434,053
Balance as at July 01, 2021	65,826,000	(64,391,947)	1,434,053
Comprehensive income for the year			
Profit for the year ended June 30, 2022	-	109,684,181	109,684,181
Other comprehensive loss for the year	-	(1,958,026)	(1,958,026)
Balance as at June 30, 2022	65,826,000	43,334,208	109,160,208

The annexed notes 1 to 41 form an integral part of these financial statements.

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
DIRECTOR

	June 30, 2022	June 30, 2021
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before income tax	134,921,370	(15,243,369)
Adjustment for:		
Depreciation	6.2 7,779,684	9,659,223
Amortization	8 216,950	271,188
Provision for stock obsolescence	26.3 45,966,234	-
Impairment	867,802	-
Provision for employees' benefit obligation	20 1,100,976	1,282,921
Reversal of loss allowance	14.1 (11,872,478)	(4,733,229)
Interest income on banks	29 (219,556)	(14,408)
(Gain) / loss on disposal of property, plant and equipment	(193,992,293)	(14,714,891)
	<u>(150,152,681)</u>	<u>(8,249,196)</u>
<b>Operating loss before working capital changes</b>	<b>(15,231,311)</b>	<b>(23,492,565)</b>
<b>(Increase)/decrease in current assets</b>		
Stock in trade	11,126,010	201,864
Trade debts	(60,372,620)	10,891,498
Advances	(148,875)	517,059
Trade deposits and short term prepayments	(2,105,791)	1,777,178
	<u>(51,501,276)</u>	<u>13,387,599</u>
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	58,356,089	3,298,779
Due to director - net	(123,224,373)	(33,021,674)
	<u>(64,868,284)</u>	<u>(29,722,895)</u>
<b>Cash generated used in operations</b>	<b>(131,600,871)</b>	<b>(39,827,861)</b>
Tax withheld / paid	(2,217,109)	(1,709,202)
Proceeds from income tax refund	-	45,041,622
Profit realized on bank accounts	153,959	17,274
Loans and advances	-	182,173
Gratuity paid	20 (6,256,290)	(365,673)
	<u>(8,319,440)</u>	<u>43,166,194</u>
<b>Net cash (used in)/ generated from operating activities</b>	<b>(139,920,311)</b>	<b>3,338,333</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	-	(135,000)
Sale proceeds from disposal of property, plant and equipment	200,513,327	675,000
<b>Net cash generated from investing activities</b>	<b>200,513,327</b>	<b>540,000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability	(4,518,045)	(3,938,324)
<b>Net cash used in financing activities</b>	<b>(4,518,045)</b>	<b>(3,938,324)</b>
<b>Net increase/ decrease in cash and cash equivalents</b>	<b>56,074,971</b>	<b>(59,991)</b>
Cash and cash equivalents at the beginning of the year	1,637,342	1,697,333
<b>Cash and cash equivalents at the end of the year</b>	<b>57,712,313</b>	<b>1,637,342</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
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 Pakhtunkhwa. 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. The Company has sold the said land through sale agreement dated January 13, 2022 to another party against consideration disclosed in note 6.4 to the financial statements, received on January 14, 2022. The possession of the land along with building is required to be handed over 9 months (extendable to 12 months) after payment/transfer to the purchaser as per terms of agreement.

### 1.2 Going concern

The Board of the Directors (the Board) of the Company in its meeting held on December 20, 2021 decided for delisting of the Company from Pakistan Stock Exchange (PSX) under rule 5.14 of Voluntary Delisting Rules of the Rule Book due to following main reasons: a) Profitability is not expected to improve in near term due to adverse market condition, b) Losses suffered for last 4 years, c) products offered by the Company are being sold at dumping rates by foreign companies, d) facility is becoming obsolete and e) Sponsors have invested substantial fund in past and now lack the funds required to ensure survival of the Company. . The Company submitted a formal application to the PSX under which the Sponsors were authorized to buy back ordinary shares held by the minority shareholders of the Company which was dully approved by PSX subsequent to year end. Further, the buyback of shares @ a price of Rs. 29 and delisting has duly been approved in Extra Ordinary General Meeting held on September 08, 2022. The external product & quality certification required to manufacture products for customers has been lost due to limited financial and human resources, drastically affecting the scope of work that can be accessed in the next five to ten years. Due to aforesaid issues, members of the Company through special resolution dated January 13, 2022 authorized the Board to take decision regarding purchase of land in Faisalabad Industrial Zone and to construct building thereof for manufacturing of engineering products or otherwise diversify the business other than manufacturing keeping in view the current business prospects as they deem fit for the future growth of the Company or take any decision related to future direction and its core business as deemed necessary. While the Board being undecisive about the different options under consideration regarding the future direction of the Company, the Company opted to curtail its operational and admin cost and accordingly laid off many employees during the year. The manufacturing activities are ceased after the close of current financial years as last manufacturing orders were delivered during the last quarter of the current financial year. These conditions indicate the existence of material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and therefore, it may be unable to realize its assets or 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 future operation, recovery of tax refundable from Government and future plan for diversification of nature of business of engineering products and continued cost reduction activities.

Presently, the management has a reasonable expectation that the Company has adequate financial resources to continue its minimal activity for the foreseeable future and believes that use of going concern assumption in preparation of these financial statements is appropriate and, therefore has prepared these financial statements on going concern basis.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except employees benefit obligation which is measured at present value of defined benefit obligation determined through actuarial valuation.

A handwritten signature in black ink, appearing to be 'JH'.





**2.3 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statement are presented in Pakistani Rupees, which is the Company's functional and presentational currency. All financial information presented in Pakistani Rupees is rounded to nearest rupee, unless otherwise stated.

**3 STATUS OF STANDARDS AND INTERPRETATIONS**

**3.1 New accounting standards, interpretations and amendments applicable during the year**

There are certain standards amendments and interpretations that are mandatory for accounting periods beginning July 01, 2020 and are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

**3.2 Standards, interpretations and amendments to accounting and reporting standards not yet effective**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective from the dates mentioned below:

	Effective date (annual periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 01, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IFRS 4 Insurance Contracts (Amendments)	January 1, 2023
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022
IAS 41 Agriculture (Amendments)	January 1, 2022
IFRS 3 Business Combinations (Amendments)	January 1, 2022
IFRS 9 Financial Instruments (Amendments)	January 1, 2022
IFRS 16 Leases (Amendments)	January 1, 2022

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

- IFRS 1 First time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance Contracts (Amendments)

The following interpretation issued by the International Accounting Standards Board (IASB) has been waived by the Securities and Exchange Commission of Pakistan (SECP):

- IFRIC 12 Service concessions arrangements

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**4.1 Operating segments**

Operating segments are reported in a manner consistent with internal reporting by management of the Company. The management has determined that the Company has a single reportable segment as the Company of Directors view the Company's operation as one reportable segment.

**4.2 Property, plant and equipment**

Property, plant and equipment are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses if any, except leased hold land held for business use is stated at leased amount less amortized amount. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

Depreciation is provided on reducing balance method to write down cost less accumulated residual value of property, plant and equipment over the estimated useful lives of the assets at rates specified below.

- Lease hold land 10%
- Factory building on leasehold land 10-20%
- Plant and machinery 10%
- Tools and lab equipment 10%





• Office equipment	10%
• Furniture and fixtures	10%
• Carpets and curtains	10%
• Vehicles	20%
• Lease hold Improvements	20%

Depreciation on additions is charged from the month of acquisition and on disposals up to the month the asset is in use. Maintenance and normal repairs are charged to profit or loss as and when incurred. Major renewals and improvements are capitalized.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

**Disposal of non-current assets**

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss. The net gain or loss arising from the sale of non-current assets is generally included in "other income" or "other operating expense" in the statement of profit or loss.

**Impairment of non-financial assets**

The carrying amounts of non financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment loss are restricted to the original cost of the assets. An impairment loss or reversal of the impairment loss is recognized in or charged to income for the year.

**4.3 Leased assets**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. To assess whether a contract contains a lease, Company considers whether the contract conveys the right to control or use an identified asset by:

- the contract involves the use of an identified asset either explicitly or implicitly. The asset should be physically distinct or represent substantially all the capacity of the asset. If the supplier has the right of substitution, then the asset is not identified,
- The Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

**Right-of-use assets**

The Company recognizes a right-of-use asset and corresponding lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The rate of depreciation on right of use asset is 22.2% based on lease term of 4.5 years from initial recognition.

**Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.





The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### 4.4 Intangible assets

Intangible assets with finite useful life are stated at cost less accumulated amortization and impairment losses, if any. Subsequent cost on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is provided on reducing balance method over the estimated useful lives of intangible assets. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off.

The Company reviews the useful lives of intangible assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of intangibles with the corresponding effect on the amortization charge and impairment. The rate of amortization on intangible assets is 20%.

#### 4.5 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

#### 4.6 Financial assets

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

##### (i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

##### (ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (iii) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

#### 4.7 Financial Liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

##### a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.





**b) Amortized cost**

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

**Offsetting**

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

**Impairment of financial assets:**

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances and deposits
- Cash and bank balances

**General approach for loans, advances and deposits and cash and bank balances**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward-looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

**Simplified approach for trade debts**

The Company recognizes life time ECL on trade debts, using the simplified approach. The measurement of ECL

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As the Company applies simplified approach in calculating ECLs for trade debts, the Company does not track changes in credit risk, but instead recognized a loss allowance based on life time ECLs at each reporting date. ECLs on these financial assets are estimated using a provision matrix approach adjusted for forward looking factors specific to the debtors and economic environment.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**4.8 Stores, spares and loose tools**

Stores and loose tools are valued at lower of cost and net realizable value (NRV). Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Non significant stores and loose tools are charged to profit or loss when purchased.

**4.9 Stock in trade**

Stock in trade is valued at lower of cost or net realizable value. Stock in trade comprise of raw-material, work in process and finished goods. Cost of raw material is determined on weighted average purchase cost while work in progress and finished goods includes direct material, labor and appropriate manufacturing overheads. Purchase cost includes invoice value and other related charges paid thereon.

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





**4.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash and cheques in hand, bank balances, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and running finances under mark up arrangements.

**4.11 Taxation**

Income tax expense comprises current and deferred tax. It is recognized in statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

**a) Current**

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax rebates and tax credits available, if any, and tax paid on presumptive basis. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

**b) Deferred**

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable profit and the carrying amount of the deferred tax asset is reviewed at each balance sheet date. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of profit or loss, except where they relate to items that are charged or credited directly to the statement of comprehensive income in which case the related deferred tax is also charged or credited directly to the statement of statement of comprehensive income.

Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

**4.12 Employees' retirement benefits**

The Company operates an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Provision is made annually to cover obligations under the scheme in accordance with actuarial recommendations. Projected Unit Credit Method has been used for actuarial valuation carried out by an independent actuary as of 30 June, 2022. The results of current valuation are summarized in note: 20.

The actuarial gains or losses at each evaluation date are charged to statement of comprehensive income. The amount recognized in the balance sheet represents the present value of defined benefit obligations.

Calculation of gratuity requires assumptions to be made of future outcomes which mainly increase in remuneration, expected long term return on plan assets and the discount rates used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

**4.13 Provisions**

Provision is recognized when the Company has a present obligation as a result of past event, probably will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

**4.14 Trade and other payables**

Trade and other payables are initially carried at the fair value of the consideration to be paid in future for goods and services received. Subsequent to initial recognition, these are carried at amortized cost.

**4.15 Revenue recognition**

Revenue is recognized at the fair value of the consideration to which the Company expects to be entitled in exchange for transferring goods or services.





Revenue from operations of the Company are recognized when the goods or services are provided, and thereby the performance obligations are satisfied. The Company's contract performance obligations are fulfilled at point in time when goods or services are provided to customer as the control is transferred is transferred to customer. The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'advances from customers' in the statement of financial position.

**4.16 Other income**

Scrap sales and miscellaneous receipts are recognized on realized amounts.

Interest income is recorded on a time proportional basis.

**4.17 Foreign currency transactions and translation**

Transactions in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the exchange rates prevailing at reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary assets and liabilities items at year end exchange rates are recognized in profit or loss for the year.

**4.18 Equity and reserves**

Share capital represents the nominal value of shares that have been issued.

Revenue reserve include all current and prior period profits as disclosed in the statement of profit or loss.

**4.19 Proposed dividends and transfer between reserves**

Dividend declared and transfers between reserves made subsequent to the balance sheet date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared/transfers are made.

**4.20 Expense recognition and borrowing costs**

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin. Interest expenses are reported on an accrual basis. Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognized as a part of the cost of that asset. All other borrowing costs are recognized as an expense in the period in which these are incurred.

**4.21 Contingent liability**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**4.22 Earning per share**

The Company presents basic and diluted earning per share (EPS) data for its ordinary shares. 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, adjusted for the effects of all dilutive potential ordinary shares.

**4.23 Ijarah contracts**

Leases under Shariah compliant Ijarah contracts, where significant portion of the risk and reward of ownership is retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to statement of profit or loss on straight line basis over the lease term.

**5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical expenditure and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within next financial year are outlined below:

- (a) Depreciation on property, plant and equipment (note: 4.2);
- (b) Leases (note: 4.3);
- (c) Recoverable amount and related impairment of depreciable, amortizable asset and financial assets (note: 4.2 & 4.6);
- (d) Provision for taxation and related deferred tax asset or liability (note: 4.11);
- (e) Liability against employees' benefit (note: 4.12); and
- (f) Other provision and contingent liabilities (note: 4.13 & 4.21).

However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the foreseeable period.





ADOS PAKISTAN LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Rupees										Total	
	Lease hold land	Factory building on lease hold land	Lease hold Improvements	Plant and machinery	Tools and lab equipment	Office equipment	Furniture and fixture	Carpets and curtains	Vehicles			
<b>Cost</b>												
Balance as at July 01, 2021	15,663,368	20,242,352	5,661,657	84,290,913	6,822,396	11,375,463	3,228,457	143,111	26,718,120			174,145,837
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals (Note: 29.1)	(1,408,515)	(20,242,352)	-	-	-	-	-	-	(24,840,875)	-	-	(46,491,742)
Balance as at June 30, 2022	14,254,853	-	5,661,657	84,290,913	6,822,396	11,375,463	3,228,457	143,111	1,877,245			127,654,095
<b>Accumulated Depreciation</b>												
Balance as at July 01, 2021	(10,925,751)	(18,885,946)	(2,801,738)	(75,707,237)	(5,824,856)	(7,217,289)	(2,752,548)	(133,328)	(20,643,233)			(144,891,926)
Disposals (Note: 29.1)	1,077,681	18,953,766	-	-	-	-	-	-	20,044,957			40,076,404
Depreciation for the year (Note: 6.2)	(445,291)	(67,820)	(571,984)	(858,368)	(99,780)	(415,938)	(47,454)	(978)	(1,212,668)			(3,720,281)
Balance as at June 30, 2021	(10,293,361)	-	(3,373,722)	(76,565,605)	(5,924,636)	(7,633,227)	(2,800,002)	(134,306)	(1,810,944)			(108,535,803)
Carrying amount as at June 30, 2022	3,961,492	-	2,287,935	7,725,308	897,760	3,742,236	428,455	8,805	66,301			19,118,292
<b>Cost</b>												
Balance as at July 01, 2020	15,663,368	20,242,352	5,661,657	84,290,913	6,725,396	11,337,463	3,228,457	143,111	44,978,020			192,270,737
Additions	-	-	-	-	97,000	38,000	-	-	-	-	-	135,000
Disposals	-	-	-	-	-	-	-	-	(18,259,900)			(18,259,900)
Balance as at June 30, 2021	15,663,368	20,242,352	5,661,657	84,290,913	6,822,396	11,375,463	3,228,457	143,111	26,718,120			174,145,837
<b>Accumulated Depreciation</b>												
Balance as at July 01, 2020	(10,399,350)	(18,735,234)	(2,086,758)	(74,753,493)	(5,718,482)	(6,756,540)	(2,699,820)	(132,240)	(31,661,625)			(152,943,542)
Disposals	-	-	-	-	-	-	-	-	13,649,740			13,649,740
Depreciation for the year (Note: 6.2)	(526,401)	(150,712)	(714,980)	(953,744)	(106,374)	(460,749)	(52,728)	(1,088)	(2,631,348)			(5,598,124)
Balance as at June 30, 2021	(10,925,751)	(18,885,946)	(2,801,738)	(75,707,237)	(5,824,856)	(7,217,289)	(2,752,548)	(133,328)	(20,643,233)			(144,891,926)
Carrying amount as at June 30, 2021	4,737,617	1,356,406	2,859,919	8,583,676	997,540	4,158,174	475,909	9,783	6,074,887			29,253,911



- 6.1 Lease hold land consist of land measuring 10 acres, situated at plot no. 42 in Industrial Estate of Hattar, KPK, for setting up repair, maintenance and manufacturing of oil field and communication equipments allotted by Sarhad Development Authority (SIDA) on a lease term basis of 99 years. A civil suit has been filed by Surban Textile Mills Limited against Chairman SIDA and others for allotment of the same to the Company, further explained in note 24.3.

		2022 Rupees	2021 Rupees
6.2	<b>Depreciation charge for the year has been allocated as under:</b>		
	Cost of sales/services	Note: 26 1,530,131	1,775,438
	Administrative expenses	Note: 27 2,190,150	3,822,686
		<u>3,720,281</u>	<u>5,598,124</u>

- 6.3 The fair value of plant and machinery and tools and equipment is higher than its carrying value due to which no impairment has been recognized in this financial statements.

- 6.4 Detail of items of property, plant and equipment disposed off during the year, having carrying value of more than Rs. 500,000:

Asset particulars / Location	Cost	Carrying value	Sale proceeds	Gain on disposal	Purchaser/ Relationship	Mode of Disposal
----- Rupees -----						
Leaschold land/ Industrial estate, Hattar	1,408,515	330,834	126,381,148	126,050,314	Silver Lake Foods Limited/ 3rd party	Sale agreement
Building/ Industrial estate, Hattar	20,242,352	1,288,586	63,618,852	62,330,266		
	<u>21,650,867</u>	<u>1,619,420</u>	<u>190,000,000</u>	<u>188,380,580</u>		
Vehicle	24,279,431	4,738,388	8,250,000	3,511,612	Sharjeel Tariq/ 3rd party	Sale agreement

## 7 RIGHT OF USE ASSET

	2022 Rupees	2021 Rupees
Balance at beginning of the year	10,152,749	14,213,848
Additions during the year	-	-
Depreciation charged during the year	Note: 7.1 (4,061,100)	(4,061,099)
Closing net book value	<u>6,091,649</u>	<u>10,152,749</u>

- 7.1 Depreciation expense relating to right to use asset has been charged to administrative expenses in note 27.

## 8 INTANGIBLE ASSETS

	2022 Rupees	2021 Rupees
Opening net book value	1,084,752	1,355,940
Additions during the year	-	-
Amortization charged during the year	(216,950)	(271,188)
Impairment charge for the year	Note: 8.2 (867,802)	-
Closing net book value	Note: 8.1 <u>-</u>	<u>1,084,752</u>

- 8.1 The value of intangible asset include design packages module for oilfield equipment design and drawing having finite useful life. Amortization is charged in cost of sales/services line item of the statement of profit or loss.

- 8.2 Design package module was purchased as a part of API license requirement. As all API licenses have been cancelled or withdrawn module stood impaired at year end.

## 9 LONG TERM LOANS AND ADVANCES

	2022 Rupees	2021 Rupees
Considered good - secured Loans and advances to employees	Note: 9.1 <u>-</u>	<u>103,999</u>

- 9.1 The above loans and advances were given in accordance with the Company's service rules, with no fixed repayment terms and carry no mark up. Any outstanding loan due from employees is adjustable against employees benefit/obligation.

## 10 LONG TERM DEPOSITS

	2022 Rupees	2021 Rupees
Security deposit - non interest bearing	400,000	400,000
	<u>1,213,861</u>	<u>1,213,861</u>
Less: Provision for impairment	Note: 10.1 (813,861)	(813,861)
Long term deposits	<u>400,000</u>	<u>400,000</u>





	2022 Rupees	2021 Rupees
<b>10.1 Provision for impairment</b>		
Opening balance	813,861	813,861
- Additions during the year	-	-
Closing balance	<u>813,861</u>	<u>813,861</u>
<b>11 DEFERRED TAX</b>		
Deferred tax asset of Rs. 75.343 million (2021: Rs. 68.665 million), mainly on carried forward business losses, has not been recognized due to uncertain realizability owing to the reasons mentioned in note 1.2 to these financial statements.		
<b>12 STORES, SPARES AND LOOSE TOOLS</b>		
	2022 Rupees	2021 Rupees
Stores	926,907	926,907
Loose tools	726,686	726,686
<b>Stores, spares and loose tools</b>	<b>1,653,593</b>	<b>1,653,593</b>
Less: Provision for obsolete and slow moving stock	Note: 12.1	(1,653,593)
Stores, spares and loose tools	<u>-</u>	<u>-</u>
<b>12.1 Provision for obsolete and slow moving items</b>		
Opening balance	1,653,593	1,653,593
- Additions during the year	-	-
Closing balance	<u>1,653,593</u>	<u>1,653,593</u>
<b>13 STOCK IN TRADE</b>		
Raw materials	41,440,605	52,566,615
Finished goods	7,790,191	7,790,191
<b>Stock in trade</b>	<b>49,230,796</b>	<b>60,356,806</b>
Less: Provision for obsolete and slow moving stock	Note: 13.1 & 13.2	(49,230,796)
<b>Stock in trade</b>	<u>-</u>	<u>57,092,244</u>
<b>13.1 Provision for obsolete and slow moving items - Raw material</b>		
Opening balance	1,780,562	1,780,562
- Provision for stock obsolescence	Note: 13.3	39,660,043
Closing balance	<u>41,440,605</u>	<u>1,780,562</u>
<b>13.2 Provision for obsolete and slow moving items - Finished goods</b>		
Opening balance	1,484,000	1,484,000
- Provision for stock obsolescence	Note: 13.3	6,306,191
Closing balance	<u>7,790,191</u>	<u>1,484,000</u>
<b>13.3</b> American Petroleum Institute product and quality certification required to manufacture products for customer has been cancelled during the period due to decline in sales and available financial and human resources which has drastically affected the scope of work that could be accessed in future. Resultantly, the stock of trade has become obsolete and same is not expected to be utilized in ordinary course of business. Expected scrap value of the stock in trade is Rs. 6,250,008 as per the valuer report dated December 31, 2021.		
<b>14 TRADE DEBTS</b>		
	2022 Rupees	2021 Rupees
<b>Trade debts - unsecured</b>		
Considered		
- good	77,348,483	5,103,385
- doubtful	63,567,117	75,439,595
	<u>140,915,600</u>	<u>80,542,980</u>
Less: loss allowance	Note: 14.1	(63,567,117)
<b>Trade debts</b>	<u>77,348,483</u>	<u>5,103,385</u>
<b>14.1 Loss allowance</b>		
Balance as at July 01	75,439,595	80,172,824
Allowance made during the year	-	-
Less: reversal made during the year	(11,872,478)	(4,733,229)
<b>Balance as at June 30</b>	<u>63,567,117</u>	<u>75,439,595</u>
<b>14.2</b> The status of past dues relating to trade debts has been disclosed in note 36.2 (b).		
<b>15 ADVANCES</b>		
<b>Advances - unsecured, considered good</b>		
Short term-advances to suppliers	126,612	-
Short term loans and advances to employees against salaries	82,323	60,060
<b>Advances</b>	<u>208,935</u>	<u>60,060</u>



**16 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**

	2022 Rupees	2021 Rupees
Margin deposits and bid money	3,000,000	-
	3,000,000	-
Prepayments	11,234	905,443
<b>Trade deposits and short term prepayments</b>	<b>3,011,234</b>	<b>905,443</b>

**17 TAX REFUNDS DUE FROM THE GOVERNMENT**

Opening balance	90,510,365	135,880,809
Tax paid/deducted at source during the year	2,217,109	1,709,202
Tax refund received during the year	-	(45,041,622)
Less: provision for taxation	Note: 31 (25,237,189)	(2,038,024)
	<b>67,490,285</b>	<b>90,510,365</b>

**18 CASH AND BANK BALANCES**

Cash in hand	-	1,968
Cash at banks:		
Local currency:		
Saving accounts	Note: 18.1 41,080,096	1,562,963
Current accounts	363,883	70,009
Foreign currency current accounts	3,147	2,402
Instrument in hand	Note: 18.2 16,265,187	-
<b>Cash and bank balances</b>	<b>57,712,313</b>	<b>1,637,342</b>

18.1 The range of interest on these saving accounts is 3.00 % - 5.50 % per annum (2021: 3.00 % - 6.00 % per annum).

18.2 This represents pay orders of Rs. 16,265,187 (2021: Rs. Nil).

**19 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

The share capital of the Company consists only of ordinary shares with a par value of Rs.10 each. Holders of share are entitled to dividends from time to time and are entitled to one vote at the general meetings of the Company.

2022 Number	2021 Number		2022 Rupees	2021 Rupees
6,582,600	6,582,600	Ordinary shares of Rs. 10 each issued and fully paid in cash	65,826,000	65,826,000

**20 EMPLOYEES' BENEFIT OBLIGATION**

Employees' gratuity			3,556,432	7,280,474
The employees' benefit obligation as at the balance sheet date are as follows:				
Present value of defined benefit obligation			3,556,432	7,280,474
<b>Net liability at the end of the year</b>			<b>3,556,432</b>	<b>7,280,474</b>
Movement in the present value of defined benefit obligation (DBO) is as follows:				
Present value of DBO at the beginning of the year			7,280,474	6,077,674
Current service cost			712,081	798,109
Interest cost			388,895	484,812
Benefit payable			(526,754)	(382,327)
Benefit paid			(6,256,290)	(365,673)
Actuarial (gain)/losses from changes in financial assumptions			13,101	9,354
Experience adjustments			1,944,925	658,525
<b>Present value of defined benefit obligation at the end of the year</b>			<b>3,556,432</b>	<b>7,280,474</b>
Expense recognized in profit or loss :				
Current service cost			712,081	798,109
Interest cost			388,895	484,812
<b>Provision of employees' benefit</b>			<b>1,100,976</b>	<b>1,282,921</b>
Expense is recognized in the following line items in profit and loss account:				
Cost of sale/services	Note: 26.2		390,673	630,905
Administrative expenses	Note: 27.1		710,303	652,016
			<b>1,100,976</b>	<b>1,282,921</b>

Principal actuarial assumptions used were as follows:

Discount rate per annum	10.00%	10.00%
Expected rate of increase in eligible salary per annum	12.25%	9.00%
	SLIC	SLIC
Mortality rate	2001-2005 Mortality table	2001-2005 Mortality table
Average expected remaining working life time of employees	9 years	8 years





These assumptions have been developed by management with assistance of independent actuarial appraisers. Discount rate is determined by reference to market yields on government bonds since long-term private sector bonds market is not deep enough in Pakistan. Rate of salary growth reflects regular/special increments and any promotional increase.

Detail of present value of employees' benefit obligation.

	2022	2021	2020	2019	2018
	-----Rupees-----				
Present value of defined benefit obligation	3,556,432	7,280,474	6,077,674	6,322,948	5,913,130

**Sensitivity analysis:**

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/decreased as a result of a change in respective assumptions by one percent.

	2022		2021	
	Effect of 1% increase	Effect of 1% decrease	Effect of 1% increase	Effect of 1% decrease
	Rupees	Rupees	Rupees	Rupees
Discount rate	(4,567,040)	5,449,464	(7,466,861)	8,813,205
Future salary increase	5,449,464	(4,559,979)	8,813,205	(7,455,945)

Estimated expense for the year ending June 30, 2023 amounts to Rs. 273,665.

**Risk associated with the scheme**

**(a) Final salary risk**

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

**(b) Demographic risks**

**(i) Mortality Risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

**(ii) Withdrawal Risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

**21 LEASE LIABILITY**

	2022	2021
	Rupees	Rupees
Balance at beginning of the year	11,767,485	15,705,809
Interest accrued	1,223,955	1,803,676
Payment during the year	(5,742,000)	(5,742,000)
	7,249,440	11,767,485
Current portion grouped under current liabilities	(5,183,102)	(4,518,045)
Balance at the end of the year	2,066,338	7,249,440

21.1 Future minimum lease payments as at June 30, 2022 are as follows:

	1 Year	2 - 5 Years	Total
	-----Rupees-----		
<b>30-Jun-22</b>			
Lease payments	5,742,000	2,066,338	7,808,338
Finance cost	(558,898)	-	(558,898)
Net present value	5,183,102	2,066,338	7,249,440
<b>30-Jun-21</b>			
Lease payments	5,742,000	7,808,338	13,550,338
Finance cost	(1,223,955)	(558,898)	(1,782,853)
Net present value	4,518,045	7,249,440	11,767,485

**22 TRADE AND OTHER PAYABLES**

	2022	2021
	Rupees	Rupees
Creditors	73,817,528	553,873
Accrued liabilities	Note: 22.1	13,926,639
Employees' benefit payable	5,906,299	5,856,693
Advance from customer	Note: 22.2	1,458,237
Workers' Profit Participation Fund (WPPF)	Note: 22.3	7,324,576
Workers' Welfare Fund (WWF)	2,929,830	-
Sales tax payable	6,857	934,761
Taxes payable	272,903	1,449,746
Other liabilities	46,736	46,732
<b>Trade and other payables</b>	<b>105,689,605</b>	<b>46,806,762</b>

22.1 This include chief executive officer's and executive directors' payable salaries of Rs. 333,333 (2021: Rs. 11,333,322) and Rs. 3,307,512 (2021: Rs. 9,897,506) respectively.





22.2 This include advance received from Saudi Relief Fund, amounting to Rs. 1.35 million (2021: Rs. 1.35 million) for the supply of rotary drilling rigs, the adjustment of which is subject to pending litigation as disclosed in note 24.2 to the financial statements and remaining amount represents advances received from customers pertaining to armouring of vehicles.

		2022 Rupees	2021 Rupees
<b>22.3 Workers' Profit Participation Fund</b>			
Balance as at July 01		-	-
Charge for the year	Note: 22.2	7,324,576	-
Interest for the year		-	-
Transfer to fund during the year		-	-
<b>Balance as at June 30</b>		<b>7,324,576</b>	

**23 DUE TO DIRECTOR**

Due to director	Note: 23.1	-	123,224,373
-----------------	------------	---	-------------

23.1 Amounts received from director from time to time to meet the working capital requirements of the Company has been repaid during the year on realization of proceeds from disposal of property, plant and equipment.

**24 CONTINGENCIES AND COMMITMENTS**

24.1 The Company issued bank guarantee in favor of E&P company amounting to Rs. 3 million (2021: Rs. 3 million) which is outstanding at the year end.

24.2 M/s Saudi Relief Committee for Pakistan (SCRC) instituted a petition for the recovery of contractual amount Rs.6,750,000 + Penalty of 10% amounting to Rs. 675,000 together with damages of US\$ 1.4 million and Rs. 20 million as damages, out of the said amount M/s SCRC was awarded an amount of Rs.6,750,000 + Penalty of 10% amounting to Rs. 675,000 rest of the claim of US\$ 1.4 million and Rs. 20 million as damages was disallowed. M/s SCRC has now instituted execution petition for the recovery of awarded/contractual amount of Rs.6,750,000 + Penalty of 10% amounting to Rs. 675,000. The Islamabad High Court has dismissed an appeal filed by the Company and the Company has now filled an appeal before the Honorable Supreme Court of Pakistan which is pending adjudication. Moreover, the civil judge Islamabad, vide order dated January 07, 2011 has drawn the decree sheet to make the aforesaid award rule of the court and against that order the Company has filed an appeal before the Islamabad High Court, Islamabad, which is dismissed by the Islamabad High Court and the Company has filed an appeal before the Honorable Supreme Court of Pakistan which is pending adjudication. Further, an appeal has been instituted by the Company to challenge the legality and validity of the order dated March 11, 2015 whereby the executing court has passed an order for amendment of decree, the same is also dismissed and the Company has filed an appeal before the Honorable Supreme Court of Pakistan which is pending adjudication. Management based on opinion of the legal advisor, is hopeful of a positive decision in its favor. Consequently, no provision has been made in these financial statements for payment of the contractual/awarded amount and the penalty.

24.3 Lease hold land includes Rs. 14.25 million relating to Plot # 42 measuring 10 acres in Industrial Estate of Hattar for setting up repair, maintenance and manufacturing of oil field and communication equipment's allotted by Sarhad Development Authority (SIDA) on a lease term basis of 99 years. A civil suit has been filed by Surban Textile Mills Limited on May 02, 2008 against Chairman SDA and others for allotment of the same to the Company. The Company has become a party in the said suit to protect and project its rights in the suit land. The suit land has now been allotted to the Company and the proceedings of the case is in progress and there is no change in status from the last year. The management expects a favorable decision based on legal advisor assessments and merits of the case.

24.4 The Company's rectification application for assessment year 2002-03 seeking correction amounting Rs. 38,750,951 in carry forward losses has been decided by correction to the extent Rs. 8,669,664. Another rectification application on the same issue for tax year 2006 and 2007 was rejected through order under Section 221 of the Income Tax Ordinance, 2001 (the Ordinance). The company filed appeal against this rejection before Commissioner Inland Revenue Appeals CIR(A), who remanded back the order for consideration afresh. Cross appeals were filed by Appellate Tribunal Inland Revenue (ATIR) by both the Company as well as tax department against the remand back order of CIR(A). ATIR after hearing the case, remanded back the case to CIR(A) for issuance of a speaking order. The management is confident that the case will be decided in the favor of the Company and consequently no provision for additional tax has been provided in these financial statements.

24.5 The Company's audit of sales tax upon selection under Section 72B of the Sales Tax Act, 1990 (the Act) for tax periods July 2016 to June 2017 was concluded with a Sales Tax demand aggregating Rs. 75,992,030. The entire demand pertained to alleged default in charging sales tax to Petroleum Exploration and Production companies on supply of goods which were exempt from charge in terms of SRO. 678(I)/2004 dated August 07, 2004, as already confirmed through an earlier order of CIR(A) for another period. The appeal submitted against aforesaid order was rejected by CIR(A) in a summary hearing without affording a proper opportunity. The second appeal submitted by Company before ATIR is dismissed by the ATIR and the Company has filed an appeal before the Honorable High Court, Islamabad Bench, Islamabad which is pending adjudication. The ATIR has also accepted the appeal of the department against the Order of the learned CIR (A) of the earlier period i.e., 2014 to 2015 on the same issue which was earlier decided in favor of the Company by the learned CIR(A) concluded with a Sales Tax demand of Rs. 95,803,269/-. The Company has also filed an appeal against the said order of ATIR for the period 2014 to 2015 before the Honorable High Court, Islamabad Bench, Islamabad which is also pending adjudication. The management believes it has arguable grounds to defend both the cases with same issue and expects a favorable outcome due to which no provision has been made in these financial statements.





25 REVENUE-NET

	2022	2021
	Rupees	Rupees
Gross sales	147,673,443	23,741,642
Less: Sales tax	(1,474,656)	(1,920,672)
<b>Revenue-net</b>	<b>146,198,787</b>	<b>21,820,970</b>

26 COST OF SALES/SERVICES

Raw materials consumed	Note: 26.1	83,939,291	6,762,309
Salaries, wages and benefits	Note: 26.2	9,426,955	9,336,450
Repair and maintenance		218,850	148,790
Travelling and conveyance		38,970	90,935
Vehicle running and maintenance		6,100	173,920
Electricity, water and gas		1,526,832	1,486,120
Telephone and postage		90,896	145,847
Carriage and freight		1,436,440	21,625
Provision for stock obsolescence	Note: 26.3	45,966,234	-
Depreciation	Note: 6.2	1,530,131	1,775,438
Professional fee	Note: 26.4	1,425,153	2,965,633
Clearing and service charges		8,053,109	552,397
Security charges		2,772,000	2,640,000
Other factory overheads		1,568,976	1,601,107
<b>Cost of sales/ services</b>		<b>157,999,937</b>	<b>27,700,571</b>

26.1 Raw materials consumed

Opening balance as on July 01		52,566,615	52,768,479
Add: Purchases during the year		83,235,884	6,560,445
		135,802,499	59,328,924
Less: stock disposed off as scrap		(10,422,603)	-
Less: Closing balance as on June 30	Note: 13	(41,440,605)	(52,566,615)
<b>Raw materials consumed</b>		<b>83,939,291</b>	<b>6,762,309</b>

26.2 These include an amount in respect of employees' benefit obligation of Rs. 390,673 (2021: Rs. 630,905) (refer to note:20).

	2022	2021
	Rupees	Rupees
<b>26.3 Provision for stock obsolescence</b>		
- Raw material	Note: 13.1	39,660,043
- Finished goods	Note: 13.2	6,306,191
<b>Provision for stock obsolescence</b>		<b>45,966,234</b>

26.4 This includes an amount of Rs. 838,425 (2021: Rs. 2,450,490), (USD 5,248 (2021: USD 14,550)) paid to American Petroleum Institute (API), a professional training and certification programs service provider for audit fee and monogram annual fee.

27 ADMINISTRATIVE EXPENSES

	2022	2021
	Rupees	Rupees
Salaries and other benefits	Note: 27.1	9,994,582
Directors' remuneration		13,798,379
Travelling and conveyance		386,542
Rent, rate and taxes		-
Legal and professional charges		3,644,882
Fee and subscription		827,269
Electricity, gas and water		2,549,145
Repair and maintenance		1,359,582
Insurance		672,511
Printing, stationary and periodicals		798,442
Postage, telex and telephone		702,653
Entertainment and staff welfare		58,500
Depreciation	Note: 6.2 & 7	6,251,250
Amortization	Note: 8	216,950
Auditors' remuneration	Note: 27.2	500,000
Donations	Note: 27.3	471,967
Impairment intangible assets	Note: 8.2	867,802
Miscellaneous expenses		655,604
<b>Administrative expenses</b>		<b>43,756,060</b>



27.1 These include an amount in respect of employees' benefit obligation of Rs.710,303 (2021: Rs. 652,016) (refer to note: 20).

**27.2 Auditors' remuneration**

	2022 Rupees	2021 Rupees
Annual audit fee	375,000	212,500
Half-yearly review fee	50,000	47,500
Certification for regulatory purposes	75,000	62,500
<b>Auditors' remuneration</b>	<b>500,000</b>	<b>322,500</b>

27.3 Donations do not include any amount paid to any person or any organization in which a director or his spouse had any interest.

**28 OTHER OPERATING EXPENSES**

	2022 Rupees	2021 Rupees
Workers' profit participation fund	Note: 22.3 7,324,576	-
Workers' welfare fund	2,929,830	-
Loss on disposal of stock	9,162,363	-
<b>Other operating expenses</b>	<b>19,416,769</b>	<b>-</b>

**29 OTHER INCOME**

<b>Income from financial assets</b>		
Interest income - banks	219,556	14,408
Others	915,300	-
Recovery against loss allowance	-	4,733,229
	<b>1,134,856</b>	<b>4,747,637</b>
<b>Income from non-financial assets</b>		
Scrap sale	13,790,841	7,943,105
Gain on disposal of property, plant and equipment	Note: 29.1 193,992,293	14,714,891
Exchange gain	2,293,100	1,650,365
Other income	-	60,870
	<b>210,076,234</b>	<b>24,369,231</b>
<b>Other income</b>	<b>211,211,090</b>	<b>29,116,868</b>

29.1 This includes gain of Rs. 188.381 million (2021: Rs. Nil) on disposal of land and factory building to generate funds for future plan of the Company under consideration a discussed in note 1.2 to the financial statements.

**30 FINANCE COST**

	2022 Rupees	2021 Rupees
Profit against short term borrowings	-	-
Bank charges	91,786	79,599
Interest on lease liability	1,223,955	1,803,676
<b>Financial cost</b>	<b>1,315,741</b>	<b>1,883,275</b>

**31 TAXATION**

<b>Current tax</b>		
- for the year	24,660,659	903,845
- prior year	576,530	1,134,179
	25,237,189	2,038,024
<b>Deferred tax</b>		
	Note 11 -	-
<b>Income tax expense</b>	Note: 31.1 <b>25,237,189</b>	<b>2,038,024</b>

**31.1 Relationship between tax expense and accounting profit:**

Accounting profit/ (loss) before tax	134,921,370	(15,243,369)
<b>Tax rate</b>		
Alternate corporate tax at 17% of accounting profit (2021: Minimum tax at the rate of 8 % of services rendered)	22,936,633	903,845
Super tax at the rate of 1%	1,724,026	-
Tax impact of prior year income tax	576,530	1,134,179
<b>Actual tax expense net</b>	<b>25,237,189</b>	<b>2,038,024</b>





**32 PROFIT PER SHARE - BASIC AND DILUTED**

	2022	2021
	Rupees	Rupees
Profit/(Loss) for the year - Rupees	109,684,181	(17,281,393)
Number of ordinary shares outstanding during the year	6,582,600	6,582,600
<b>Earning per share-Rupees</b>	<b>16.66</b>	<b>(2.63)</b>

There is no dilutive effect on the profit per share of the Company as the Company has no dilutive potential ordinary shares or such commitments.

**33 RELATED PARTY TRANSACTIONS**

Related parties comprise of associated companies, directors and other key management personnel:

**33.1 Transactions with key management personnel**

The transaction with key personnel are disclosed in note: 34.

The related party status of outstanding balances as at balance sheet date are included in relevant notes to the financial statements.

**33.2 Names of associated companies or related parties or undertakings, with whom the Company had not entered into transactions or had no agreements or arrangements in place during the financial year are as follows:**

Name of related party	Basis of relationship	Percentage of shareholding 2022
Razvi Mining (Pvt.) Limited	Common directorship	N/A
Akbar Tahrab (Pvt.) Limited	Common directorship	N/A
Akbar Trailer Manufacturing Company (Pvt.) Limited	Common directorship	N/A
Herbontics (Pvt.) Limited	Common directorship	N/A
A-One Grinding (Pvt.) Limited	Common directorship	N/A

**33.3 Transactions with chief executive officer (CEO)**

	2022	2021
	Rupees	Rupees
Funds transferred by CEO for operating expenses of the Company	43,035,359	25,306,939
Funds returned to CEO by the Company	166,259,732	58,478,613
Adjustment of sale proceeds of vehicles purchased by CEO	-	18,500,000

**34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief Executive		Directors		Executives	
	2022	2021	2022	2021	2022	2021
	Rupees		Rupees		Rupees	
Managerial remuneration	3,999,996	3,999,996	4,800,000	4,800,000	4,446,000	4,446,000
Travelling expenses	1,243,663	421,574	498,765	331,455	-	-
Utilities and medical	3,255,955	2,085,170	2,086,898	-	-	-
Employees benefits (Gratuity)	-	-	-	-	224,545	224,545
	<b>8,499,614</b>	<b>6,506,740</b>	<b>7,385,663</b>	<b>5,131,455</b>	<b>4,670,545</b>	<b>4,670,545</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

In addition to the above, the chief executive and two executive directors have been provided with the Company maintained vehicle. Further Chief executive has also been provided with additional benefits of utilities, medical, travelling and fuel during the period. Certain Executive are also provided with the Company maintained cars. No payment has been made to non- executive directors during the year.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel. There are no transactions with key management personnel other than under their terms of employments or entitlements and as disclosed in note 23.1 and note 33.3.

**35 PLANT CAPACITY**

As such the plant capacity cannot be determined. Utilization of plant capacity depends upon total market demand and market share held.



## 36 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities exposes it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company does not engage in the trading of financial assets for speculative purposes. All treasury related transactions are carried out within the parameters of those policies.

The Company finances its operations through equity and management of working capital with a view to maintaining a reasonable mix and to minimize risk.

Taken as a whole, risks arising from the Company's financial instruments are limited as there is no significant exposure to risks. Risks measured and managed by the Company are explained in the notes below.

**36.1 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and service charge out rate will effect the Company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Foreign currency risk, interest rate risk and other price risk are described below:

**(a) Foreign currency risk**

Local transactions except sales are carried out in Pak Rupees while transactions abroad are carried out in US Dollars. Exposures to currency exchange rates arise from the Company's receivables, payables and some balances with banks, which are primarily denominated in other than Pak Rupees. The activities of the Company expose it to foreign exchange risk, primarily with respect of US Dollars.

To mitigate the Company's exposure to foreign currency risk, non-Pak Rupees cash flows are monitored in accordance with Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows from long-term cash flows, where the amounts to be paid and received in a specific currency are managed to largely offset one another.

Foreign currency denominated financial assets and liabilities, translated into Pak Rupees at the closing rate, are as follows:

	2022 USD	2021 USD
Financial assets	377,786	32,366
Financial liabilities	(358,515)	(902)
	<u>19,271</u>	<u>31,464</u>
Closing exchange rate at reporting date (Dollar to PKR)	<u>204.75</u>	<u>157.75</u>

The following table demonstrate the sensitivity to a reasonably possible change in US Dollar exchange rate, with all other variable held constant, of the Company's profit before taxation.

If the Pak Rupee had strengthened/(weaken) against the US Dollar by 10%, impact is as follow:

	2022 Rupees	2021 Rupees
Effect on profit before tax	(394,574)	(496,345)
Effect on profit before tax	<u>394,574</u>	<u>496,345</u>

**(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The Company exposure to interest rate risk is immaterial.

**(c) Equity price risk**

Equity price risk is the risk that the fair value of the equities changes as a result of changes in the level of equity indices and the value of individual stocks. The Company does not have exposure in listed equities as at June 30, 2022.

**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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Company has no financial instruments under the fair value hierarchy. As at statement of financial position date, the carrying values of the financial assets and financial liabilities represents approximate their fair values.

Financial instruments measured at fair value using a valuation techniques.

The various fair value levels have been defined as follows:

**Level 1** : quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** : 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 3** : inputs for the asset or liability that are not based on observable market data (unobservable inputs).





June 30, 2022	Contractual cash flows	Within a year	2 - 5 years
Trade and other payables	93,697,202	93,697,202	-
Lease liability	7,808,338	5,742,000	2,066,338
Unclaimed dividend	5,791,925	5,791,925	-
	<u>107,297,465</u>	<u>105,231,127</u>	<u>2,066,338</u>

This compared to the maturity of Company's financial liabilities in the previous reporting period as follows:

June 30, 2021	Contractual cash flows	Within a year	2 - 5 year
Trade and other payables	41,734,555	41,734,555	-
Due to director	123,224,373	123,224,373	-
Lease liability	13,550,338	5,742,000	7,808,338
Unclaimed dividend	5,791,925	5,791,925	-
	<u>184,301,191</u>	<u>176,492,853</u>	<u>7,808,338</u>

The above contractual maturities reflect the gross cash flows, which may differ with the carrying values of the liabilities at the balance sheet date. The Company shall manage its liquidity crunch by applying the measures stated in note: 1.2 to the financial statements.

#### 36.4 Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect income and expenditure account.

#### 36.5 Summary of financial assets and liabilities by category

The carrying amounts of the Company's financial assets and liabilities recognized at the balances sheet date are categorized as follows:

	2022 Rupees	2021 Rupees
<b>Financial assets measured at amortized cost</b>		
- Cash and bank balances	57,712,313	1,637,342
- Trade debts	77,348,483	5,103,385
- Long term deposits	400,000	400,000
- Loan and advances	82,323	164,059
- Accrued interest	66,419	822
- Trade deposits	3,000,000	-
	<u>138,609,538</u>	<u>7,305,608</u>
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortized cost</b>		
- Trade and other payables	93,697,202	41,734,555
- Due to director	-	123,224,373
- Lease liability	7,249,440	11,767,485
- Unclaimed dividend	5,791,925	5,791,925
	<u>106,738,567</u>	<u>182,518,338</u>

### 37 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company is not subject to any externally imposed capital requirements.

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus unappropriated profit less cash and cash equivalents as presented on the face of the balance sheet.

Consistent with industry practice and the requirements of lender, the Company monitors the capital structure on the basis of gearing ratio. The ratio is calculated as borrowings divided by total capital employed.

	2022 Rupees	2021 Rupees
Total equity	109,160,208	1,434,053
Cash and bank balances	(57,712,313)	(1,637,342)
<b>Capital</b>	<b>51,447,895</b>	<b>(203,289)</b>
Total equity	109,160,208	1,434,053
<b>Overall financing</b>	<b>109,160,208</b>	<b>1,434,053</b>
<b>Capital-to-overall financing ratio</b>	<b>0.47</b>	<b>(0.14)</b>

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.





**38 OPERATING SEGMENT**

These financial statements have been prepared on the basis of single reportable segment.

- Oil field equipment sales and services represent 95.09% (2021: 98%) of the total sales of the Company.
- 100% (2021: 100%) of the Company's sales relate to customers in Pakistan.
- All non-current assets of the Company as at June 30, 2022 are located in Pakistan
- One (2021: Three) of the Company's customer having net sales aggregating Rs. 134.596 million (2021: Rs.21.2 million) contributed towards 91.02% (2021: 97%) of the Company's sales. One (2021: One) customer individually exceeded 91.02% (2021: 40.7%) of total sales.

**39 DISCLOSURE BY COMPANIES LISTED ON ISLAMIC INDEX**

	2022 Rupees	2021 Rupees
<b>Loans/advances obtained as per Islamic mode:</b>		
Loans obtained as per Islamic mode	-	-
<b>Shariah complaint bank deposits/bank balances</b>		
Bank balances	2,322,878	1,558,512
<b>Profit earned from shariah compliant bank deposits/bank balances</b>		
Profit on bank deposits	27,757	13,140
<b>Mark-up paid on Islamic mode of financing</b>	-	-
<b>Profits earned or interest paid on any conventional loan or advance</b>		
Profit earned on deposits with banks	191,799	1,268

**Relationship with shariah compliant bank**

The Company has maintained bank balances with shariah compliant banks.

**40 NUMBER OF EMPLOYEES**

	2022 Number	2021 Number
Number of employees at the year end	6	36
Average number of employees	32	41

**41 GENERAL**

**41.1 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 financial statements.

**41.2 Date of authorization for issue**

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on October 07, 2022.

  
 CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE

  
 DIRECTOR

**PROXY FORM**

The Secretary,  
ADOS Pakistan Limited  
2<sup>nd</sup> Floor, Block-2, F-J Plaza, College Road,  
Markaz F-7,  
Islamabad.

I, We \_\_\_\_\_  
of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member  
ADOS Pakistan Limited and a holder of \_\_\_\_\_  
Ordinary Shares as per Share Register

No. of Shares \_\_\_\_\_  
Folio No. \_\_\_\_\_  
Here by 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 37<sup>th</sup> Annual General Meeting of the  
company to be held on Friday, October 28, 2022 at 10:30 a.m. at registered office at 2<sup>nd</sup> Floor,  
Block-2, FJ-Plaza, College Road, Markaz F-7, Islamabad and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature on  
Five Rupee  
Revenue Stamp

(Signature of Proxy)  
Signature should agree with the  
Specimen signature registered with the company.

Witness 1:

Name: \_\_\_\_\_

Signature \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC or Passport No. \_\_\_\_\_

Witness 2:

Name: \_\_\_\_\_

Signature \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC or Passport No. \_\_\_\_\_

NOTE:

1. A member entitled to attend and vote at Annual General Meeting may appoint another member, as his/her proxy to attend and vote on his/her behalf.
2. The instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of power of attorney must be deposited at the registered office of the Company at least 48 hours before the meeting.

For Beneficial Owners as per CDC List

In addition to the above the following requirements have to be met:

3. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be submitted with the Company prior to the meeting.
4. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
5. The proxy shall produce his original CNIC or passport at the time of the meeting.
6. In case of a corporate entity, the Board of Director's Resolution/ Power of attorney with specimen signatures shall be submitted along with proxy form to the Company.



پاکسی فارم  
سالانہ اجلاس عام

کمپنی سیکرٹری

اے۔ ڈی۔ او۔ ایس پاکستان لمیٹڈ  
سیکنڈ فلور، بلاک 2، FJ پلازہ،  
کالج روڈ، مرکز 7-F اسلام آباد

میں / ہم ..... ساکن ..... بحیثیت ممبر اے۔ ڈی۔ او۔ ایس پاکستان لمیٹڈ، حامل  
..... عام حصص یافتہ بمطابق شیر رجسٹر، حصص کی تعدادی .....، فولیو نمبر ..... بذریعہ دستاویز  
ہذا ..... ساکن ..... کو یا پھر ان کی غیر موجودگی میں ..... ساکن  
..... کو اپنا / ہمارا پراکسی (مختار) مقرر کرتا ہوں / کرتے ہیں کہ وہ میری / ہماری جگہ کمپنی کے  
سیستیس سالانہ اجلاس عام جمعہ 28 اکتوبر 2022 کو بوقت صبح 10:30 یا کسی ملتی شدہ تاریخ پر بمقام رجسٹرڈ آفس، سیکنڈ فلور، بلاک 2، FJ پلازہ، کالج روڈ، مرکز 7-F اسلام آباد  
میں منعقد ہوگا، میری جگہ ووٹ دے۔

بروز ..... مورخہ ..... 2022 کو دستخط کیے۔

ہماری مہربانی پانچ روپے مالیت کا ریونیوٹکٹ چسپاں کریں

(پراکسی کے دستخط)

کمپنی کے ریکارڈ میں موجودہ نمونہ دستخط سے  
مطابقت رکھنے چاہئیں۔

گواہ 1

نام .....

پتہ .....

قومی شناختی کارڈ / پاسپورٹ نمبر .....

دستخط .....

گواہ 2

نام .....

پتہ .....

قومی شناختی کارڈ / پاسپورٹ نمبر .....

دستخط .....

نوٹس 8

- 1- سالانہ اجلاس عام میں شرکت کرنے اور ووٹ ڈالنے کا حق رکھنے والا ممبر کو پراکسی کے طور پر منظور کر سکتا ہے۔
- 2- پراکسی فارم ہذا باقاعدہ مکمل اور دستخط شدہ کمپنی کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً موصول ہونا چاہیے۔

C.D.C کی فہرست کے مطابق حصص یافتگان۔

- ۳۔ حصص یافتگان کے کامی شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی اور پراکسی فارم اجلاس سے قبل موازنہ کے ساتھ جمع کروائے جائیں گے۔
- ۴۔ پراکسی فارم پر 2 گواہان کا ذکر کیا جائے گا جن کے نام، پتہ جات اور شناختی کارڈ نمبر کا اندراج فارم پر کیا جائے گا۔
- ۵۔ اجلاس میں شرکت کرتے وقت پراکسی اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا/گی۔
- ۶۔ کارپورٹی اثاثائی ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ معہ نمونہ دستخط کمپنی کو پراکسی فارم کے ساتھ جمع کروائی جائیں گی۔

