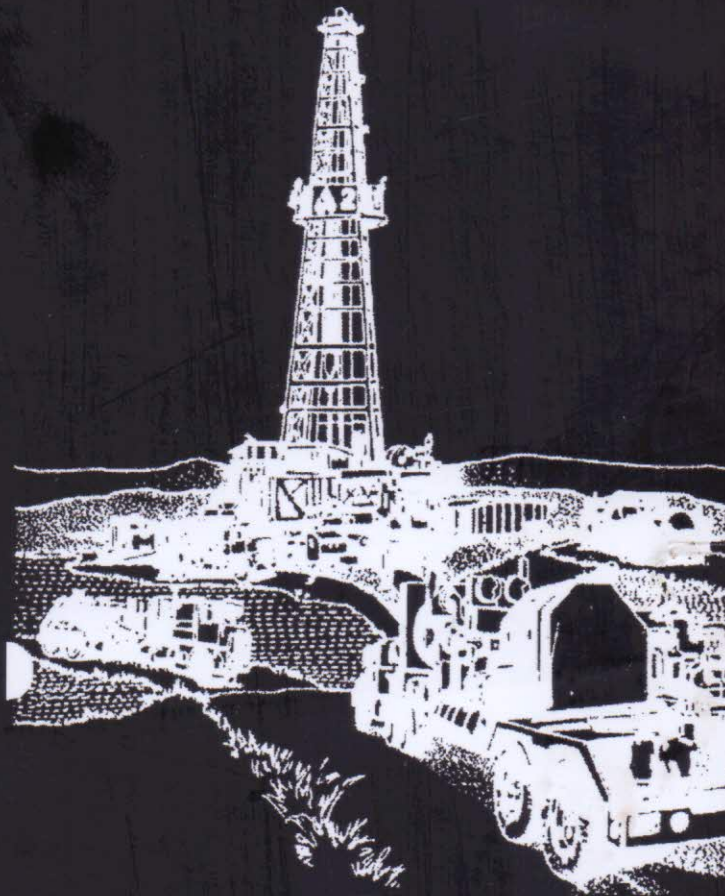


Annual Report June 30, 2017



ADCS
ADOS PAKISTAN LIMITED



COMPANY INFORMATION

CHIEF EXECUTIVE OFFICER

Mr. Zia Akbar Ansari

DIRECTORS

Mr. Jamal Akbar Ansari
Mr. Zia Akbar Ansari
Ms. Sabina Ansari
Mrs. Uzma Jamal
Mrs. Shoobarana Zia
Mr. Taha Akbar Ansari
Mr. Sheryar Akbar Ansari
Mr. Sheikh Usman Ahmed
Mr. Muhammad Fahd Shaffi

COMPANY SECRETARY

Ms. Sabina Ansari

CHIEF FINANCIAL OFFICER

Mr. Ali Imran Haider Bokhari

AUDIT COMMITTEE

Mr. Muhammed Fahd Shaffi - Member
Mrs. Shoobarana Zia- Member
Mr. Sheikh Usman Ahmed - Member

HUMAN RESOURCE COMMITTEE

Mrs. Uzma Jamal – Member & Chairperson
Mrs. Shoobarana Zia – Member & Secretary
Mr. Taha Akbar Ansari - Member
Mr. Sheryar Akbar Ansari - Member
Mr. Muhammad Fahd Shaffi - Member

AUDITORS

Grant Thornton Anjum Rahman
Chartered Accountants

BANKERS

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

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



BANKERS

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

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

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

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

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

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

LEGAL ADVISORS

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

REGISTERED OFFICE

Plot No. 294, Street No. 03, I-9/3, Industrial
Area, Islamabad.
Tel # 92-51-4859001-4859002
Fax # 92-51-4449706

SHARE REGISTRAR / TRANSFER AGENT

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

FACTORY(S)

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

b) Plot # 292, Street # 3, Industrial Area I-9/3,
Islamabad. Tel # 4449704



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 after market 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 upto 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 upto 10,000-psi working pressure ranging from 1-13/16 to 7-1/16 ID.
- Secondary Seal Assemblies with Pseal 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-Mas 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-Mas Tree Caps & Weld on Flanges.
- Other Wellhead Accessories.



3. SOCONDARY SEALS, DOUBLE STUDDED 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 32nd Annual General Meeting of the shareholders of ADOS Pakistan Limited will Insha'Allah be held on Tuesday October 31, 2017 at 10.30 A.M at its registered office at Plot No. 294, Street No. 03, I-9/3, Industrial Area, Islamabad to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of 31st Annual General Meeting held on October 31, 2016.
2. To receive, consider and adopt the Audited Financial Statements for the year ended June 30, 2017 together with Director's and Auditor's report therein.
3. To appoint auditors for the year ending June 30, 2018 and to fix their remuneration.

OTHER BUSINESS:

1. To transact any other business with the permission of the Chair.

By Order of the Board

SABINA ANSARI
Company Secretary

Islamabad: October 09, 2017

Notes:

- i) Share Transfer Book will remain closed from October 24, 2017 to October 31, 2017 [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 23, 2017 will be treated in time for the purpose of attending the Annual General Meeting and payment of Dividend.
- ii) A member entitled to be present and vote at the meeting may appoint another member, as his/her proxy to attend, speak and vote on his/her behalf. 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 time of meeting.

Members who have deposited their shares in the Central Depository system of the Central Depository Company of Pakistan Limited will have to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan:

A. For attending the meeting:

- i. In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

- ii. 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 meeting.

B. For Appointing proxies:

- i. In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
- v. In case of corporate entity, the Board of Director's Resolution/ Power of attorney with specimen signatures shall be submitted along with proxy form to the Company.

iii) Submission of CNIC (Mandatory): Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(I) 2011 dated August 18, 2011 and SRO 831(I)/2012 dated July 05, 2012, dividend warrants should bear CNIC of the registered shareholders. Accordingly, Shareholders who have not yet submitted copy of their valid CNIC and NTN (in case of corporate entities) are requested to submit the same to the Share Registrar at their above stated address, with members' folio number, mentioned thereon. It may kindly be noted that in case on non-receipt of the copy of valid CNIC, the Company would be constrained to withhold dispatch of dividend warrants.

iv) Shareholders are also requested to notify any change in their address to the Company's share Registrars M/s JWAFFS Registrar Services (Pvt.) Limited at their address stated above.

v) Dividend Mandate: The Provisions of section 242 of the Companies Act, 2017 (the "Act") provides that any dividend declared by a company must be paid to its registered shareholders or to their order within such period and in such manner as may be specified. Further, the second provision of the said section states that in case of a listed company any dividend payable in cash shall be paid through electronic mode directly into the bank account designated by the entitled shareholders. Further, the SECP vide Circular No. 8(4) SM/CDC 2008 dated April 05, 2013 have issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. The shareholders may therefore authorize the Company to credit the dividend directly to their bank account for all future dividends declared by the Company. Accordingly all non CDC shareholders are requested to send their bank account details to the Company's Share Registrar. Shareholders who hold shares with Participant /Central Depository Company of



Pakistan Limited (CDC) accounts are advised to provide the mandate to the concerned stock broker (participant)/CDC.

- vi) **Filer and Non-Filer Status:** The Government of Pakistan through Finance Act, 2017, has made certain amendments in section 150 of the Income Tax Ordinance, 2001 (Ordinance) whereby different rates are prescribed for deduction of withholding tax on the amount of dividend. These tax rates are as under:

- | | |
|---|-----|
| a) For Filers of Income Tax Returns | 15% |
| b) For Non-Filers of Income Tax Returns | 20% |

For this purpose, the term "filer" means a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR), from time to time whereas "non-filer" is a person other than a "filer". FBR has uploaded an ATL on its web-site which can be accessed at www.fbr.gov.pk. At the time of dividend distribution, the Company being a withholding agent would check the above status of the individual shareholder and respective withholding tax rates will be applied accordingly.

- v) **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 _____.

- vii) Shareholders claiming exemption from Zakat are required to file their declaration with the Share Registrar of the Company
- vi) Accounts of the Company for the year ended June 30, 2017 has also been provided on the website [www.ados.com.pk]



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

AS AT JUNE 30, 2017

Number of Shareholders	Shareholding From	-	To	Total Number of Shares Held
77	1	-	100	3545
619	101	-	500	302365
43	501	-	1000	42401
45	1001	-	5000	123630
3	5001	-	10000	24000
3	10001	-	15000	45000
5	15001	-	20000	98159
3	20001	-	25000	67500
2	25001	-	30000	51500
1	40001	-	45000	40500
1	45001	-	50000	50000
1	70001	-	75000	72000
1	105001	-	110000	106000
1	250001	-	255000	250500
1	575001	-	580000	576000
2	2360001	-	2365000	4729500
808				6582600

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	800	6422399	97.57%
Joint Stock Companies	4	3501	00.05%
Associated Companies	1	106000	01.61%
	808	6582600	100%

**STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2017**

This statement is being presented to comply with the Code of Corporate governance (Code) contained in Listing Regulations of the Pakistan Stock Exchange (G) Limited, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. ADOS Pakistan Limited has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes:

Category	Names
Independent Director	Mr. Muhammad Fahd Shafi
Executive Directors	Mr. Jamal Akbar Ansari
	Mr. Zia Akbar Ansari
	Ms. Sabina Ansari
Non-Executive Directors	Mr. Sheikh Usman Ahmed
	Mr. Taha Akbar Ansari
	Mr. Sheryar Akbar Ansari
	Mrs. Uzma Jamal
	Mrs. ShooBARANA Zia

The independent Director meets the criteria of independence under clause 5.19.1.(b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the Company are registered taxpayers and none of them have defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board of the Company during the period under review.
5. 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.
6. The board has developed a vision and mission statement, overall corporate strategy and formulated 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.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remunerations and terms and conditions of

employment of the Chief Executive Officer (CEO), other executives and non-executives directors, have been taken by the Board/shareholders.

8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Six Directors of the Company are exempted from the requirement by virtue of their experience as prescribed by the SECP in clause (xi) of the Code from directors' training certification. The remaining three Directors' will yet to attain their training certification. All the Directors on the Board are fully conversant with their duties and responsibilities as directors of the corporate body.
10. There were no new appointment of Chief financial officer (CFO)/ Company Secretary or Head of Internal audit has been made during the year.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The Directors, Chief Executive Officer and the executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises three members, all of whom are non-executive Directors including the Chairman of the Committee who is also an independent Director.
16. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the Codes. The terms of reference of the Committee have been formed and advised to the committee for compliance.
17. The Board has an Human Resources and Remuneration Committee. It comprises of five members of whom one in independent Director and four are non-executive directors. The Chairman of the Committee is a non-executive director.
18. The board has set up an effective internal audit function whose members are considered suitably qualified and experienced for the purpose and well conversant with the policies and procedure of the company.
19. The statutory auditors of the Company have confirmed that they have given a satisfactory rating under the quality control review program of the of the Institute of Chartered Accountants 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 the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they observed IFAC guidelines in this regard.
21. The “closed period”, prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company’s securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principals contained in the Code have been complied with.

On behalf of the Board

ZIA AKBAR ANSARI
Chief Executive Officer & Director

Islamabad: October 09, 2017

DIRECTOR'S REPORT TO THE MEMBERS

Gentlemen,

The Directors of the company take pleasure in placing before you the 32nd Annual Report together with the Audited Accounts, Auditor's Report, Statement of Compliance with the best practice of Corporate Governance and Auditor's Review Report on it thereon.

1. The management of the Company is facing the continuous challenges of unstable economic situations especially the slumps in the Oil & Gas Industry with lower oil prices keeping in view the international and national perspective. As a consequent these are badly affecting the overall orders from Oil and Gas explorations companies operating in Pakistan resulting in low revenues as exploration activities by them are significantly decreased. Further, the induction of Chinese companies into the business has increased competition with resultant reduced profit margins to compete in the bidding process.
2. The management as stated earlier is struggling to increase the level of sales but inflationary indicators have boosted the costs and expenses in relation to comparative low revenues.
3. Regarding qualification by our external auditors in their report to the members regarding provision against stores, spares and loose tools and stock in trade amounting to Rs. 1,653,593 and Rs. 3,264,562 respectively which has been charged to profit and loss account during the year for being unable to verify the completeness due to lack of supporting the management wants to state that in order to remove the qualification as advised by the Securities & Exchange Commission of Pakistan the management decided to provide for these items and to cost out the same as being slow moving and obsolete. Further, the management wants to reiterate that the company has purchased these items in the shape of a bulk and was imported from abroad. The price was paid for whole of the items collectively i.e. for whole of the bulk and the documents related to these were fully verified by the auditors. The problem was with the assigning of cost to each item separately, as physically verified by the auditors on stock take and to have the underlying documents and the basis for the valuation for each item for verification purposes.
4. The management wants to state that the loss for the year ended June 30, 2017 amounting to Rs. 32,357,445 is due to provisions made during the year amounting to Rs. 60,810,507 stated under Note 26.5 of the notes to the financial statements.
5. The management fully intends to comply with the requirement of Director's training program as per the Code of Corporate Governance for the non-exempted Director's.
6. The management has decided not to pay dividends for the year ended June 30, 2017 keeping in view future cash flow requirements of the company.

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

The Board is pleased to certify that:

- i) 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.
- ii) Proper books of accounts of the listed Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- v) The system of internal financial control is sound in design and has been effectively implemented and monitored.
- vi) There are no significant doubts upon the Company's ability to continue as a going concern.
- vii) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- viii) The company's revenue has decreased as of previous year due to decrease in orders received during the year with a comparative decrease in cost of sales and consequent comparative increase in gross profits.
- ix) The management is hopeful that with the stability in oil prices the exploration process by the E & P companies operating in Pakistan will generate orders and thus will stable the future development of the company with better performance.
- x) The company fully supports green environment and put in place measures of plantation to reduce pollution.
- xi) The Company fully supports and is actively complying with its corporate social responsibilities.
- xii) On recommendation of Audit Committee the Board recommends appointment of Grant Thornton Anjum Rehman, Chartered Accountants to continue as external auditors of the Company for the year ending June 30, 2018.

BOARD MEETINGS & ANNUAL GENERAL MEETING [AGM]:

During the year Six (6) board meetings and an AGM were held. Attendance by each Director & CEO is as follows:

Name of Directors & CEO	Attendance
Mr. Zia Akbar Ansari	07
Mr. Jamal Akbar Ansari	07

Ms. Sabina Ansari	07
Mrs. Uzma Jamal	07
Mrs. Shoobarana Zia	07
Mr. Sheikh Usman Ahmed	07
Mr. Taha Akbar Ansari	07
Mr. Sheryar Akbar Ansari	07
Mr. Muhammad Fahd Shafi	06

EARNING PER SHARE:

Earnings per share for the year ending June 30, 2017 is Rs. (4.92)

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 Ordinance, 1984 in Form 34 is attached with this report. Additional information is given, as under:

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage %
Financial Institutions	3	50700	00.77%
Individuals	800	6422399	97.57%
Joint Stock Companies	4	3501	00.05%
Associated Companies	1	106000	01.61%
	808	6582600	100%

Information under Clause XIX (i) of the Code of Corporate Governance

Financial Institutions:	Shares held	%
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
Axis Global Limited	500	0.008
MRA Securities Limited	2000	0.030
Associated Companies:		
Akbar Associates (Pvt.) Limited	106000	1.61



Directors, CEO, and their Spouse

Mr. Zia Akbar Ansari	CEO/Director	2364750	35.92
Mr. Jamal Akbar Ansari	Director	2364750	35.92
Miss. Sabina Ansari	Director/CS	20000	0.30
Mrs. Shooabarana Zia	Director	22000	0.34
Mrs. Uzma Jamal	Director	23000	0.35
Mr. Sheikh Usman Ahmed	Director	18159	0.28
Mr. Taha Akbar Ansari	Director	200	0.003
Mr. Sheryar Akbar Ansari	Director	200	0.003
Mr. Mohammad Fahd Shafi	Director	100	0.002

Information under Clause XIX (j) of the Code of Corporate Governance

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, 2017.

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:

	Shares held
Mr. Zia Akbar Ansari	2364750
Mr. Jamal Akbar Ansari	2364750

For and on behalf of the Board

ZIA AKBAR ANSARI
CHIEF EXECUTIVE OFFICER & DIRECTOR

Islamabad, October 09, 2017

SIX YEARS AT A GLANCE

	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013 (Restated)	2011-2012 (Restated)
Operating Results						
Sales	427,290,524	613,951,665	580,257,047	724,179,272	1,061,079,414	291,310,209
Gross Profit	92,295,224	95,167,307	105,078,851	123,803,110	273,133,693	58,577,111
Pre-Tax Profit/(Loss)	(16,665,980)	9,330,230	12,238,693	31,128,934	152,780,465	24,466,258
After-Tax Profit/(Loss)	(32,357,445)	5,706,814	4,068,202	6,582,543	98,584,428	15,081,065
Financial Position						
Current Assets	351,641,844	398,194,022	611,023,349	732,654,655	824,414,263	396,048,896
Current Liabilities	228,275,824	228,437,493	384,967,433	526,896,527	598,237,496	273,167,982
Operating Fixed Assets	60,541,561	70,906,597	45,338,977	49,394,806	45,460,664	51,436,951
Total Assets	436,168,108	475,921,560	659,039,228	796,485,123	878,373,539	453,712,516
Employees' Benefit Obligation	5,095,762	6,956,551	6,552,524	6,031,220	5,962,967	4,970,884
Shareholders' Equity	207,892,284	240,527,516	267,519,271	263,557,376	274,173,076	175,573,650
Ratios						
Current Ratio	1.54	1.74	1.59	1.39	1.38	1.45
Gross Profit to Sales	21.60	15.50	18.11	17.10	25.74	20.11
Net Profit to Sales	(7.57)	0.93	0.70	0.91	9.29	5.18
Breakup Value per share (Rs.)	31.58	36.54	40.64	40.04	41.65	26.67
Earnings per share-Basic (Rs.)	(4.92)	0.87	0.62	1.00	14.98	2.29

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of ADOS Pakistan Limited (the Company) as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that except as stated in paragraph (1) below, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984 as directed by Securities and Exchange Commission of Pakistan (SECP) vide circular no. 17 dated July 20, 2017. Our responsibility is to express an opinion on these statements based on our audit.

Except for the matters stated in paragraph (1) below, we conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (1) Provision against Stores, spares and loose tools and Stock in trade amounting to Rs. 1,653,593 and Rs. 3,264,562 respectively has been charged to profit and loss account during the year, we remain unable to verify the completeness due to lack of supporting.
- 1) in our opinion, proper books of accounts have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- 2) in our opinion, except for the matter stated in paragraph (1) above:
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii. the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii. The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- 3) In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter referred to in paragraph 1 above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required

by the repealed Companies Ordinance, 1984 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, 2017 and of the loss, its cash flows and changes in equity for the year then ended; and

- 4) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Grant Thornton Anjum Rahman

Chartered Accountants

Audit Engagement Partner - Nadeem Tirmizi

Islamabad

Date: October 09, 2017

Review Report to the Members

On Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of ADOS Pakistan Limited, (the Company) for the year ended June 30, 2017, to comply with the requirements of, Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24(b) of the Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As part of our audit of 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's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternative pricing mechanism. 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 upon recommendation of the Audit Committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

- The Company has not implemented the orientation program for its directors as required in clause (xi) of the Code.

Based on our review, except for the above instances of non-compliances, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

GRANT THORNTON ANJUM RAHMAN

Chartered Accountants

Engagement Partner: Nadeem Tirmizi

Islamabad

Date: October 09, 2017



	Note	JUNE 30 2017	JUNE 30 2016
		-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	60,541,561	70,906,597
Long term loans and advances	7	618,920	511,920
Long term deposits	8	-	1,401,600
Deferred taxation	9	23,365,783	4,907,421
		84,526,264	77,727,538
CURRENT ASSETS			
Stores, spares and loose tools	10	-	1,653,593
Stock in trade	11	58,305,499	66,770,116
Trade debts	12	126,587,400	105,610,205
Advances	13	16,776	320,776
Trade deposits and short term prepayments	14	3,327,998	3,811,625
Due from associated company	15	-	14,887,057
Accrued interest on saving accounts		447,856	29,735
Tax refunds due from the Government	16	140,836,894	156,433,424
Cash and bank balances	17	22,119,421	48,677,491
		351,641,844	398,194,022
TOTAL ASSETS		436,168,108	475,921,560
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
7,000,000 (2016: 7,000,000) ordinary shares of Rs. 10 each		70,000,000	70,000,000
Issued, subscribed and paid up share capital	18	65,826,000	65,826,000
RESERVES			
Revenue reserve-unappropriated profit		142,066,284	174,701,516
TOTAL EQUITY		207,892,284	240,527,516
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' benefit obligation	19	5,095,762	4,720,844
		5,095,762	4,720,844
CURRENT LIABILITIES			
Trade and other payables	20	84,625,626	224,842,952
Profit payable on short term borrowings		101,505	-
Due to associated company	15	32,644,480	-
Short term borrowings	21	100,000,000	-
Unclaimed dividend		5,808,451	5,830,248
		223,180,062	230,673,200
TOTAL LIABILITIES		228,275,824	235,394,044
TOTAL EQUITY AND LIABILITIES		436,168,108	475,921,560
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 39 form an integral part of these financial statements.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER

ADOS PAKISTAN LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED JUNE 30, 2017



	Note	JUNE 30 2017	JUNE 30 2016
		-----Rupees-----	
Revenue-net	23	427,290,524	613,951,665
Cost of sales/services	24	(334,995,300)	(518,784,358)
Gross profit		92,295,224	95,167,307
Selling and distribution expenses	25	(21,364,526)	(30,751,583)
Administrative expenses	26	(110,644,772)	(48,056,146)
Other operating expenses	27	(12,287,516)	(15,937,217)
Other income	28	39,252,905	12,392,104
(Loss)/Profit from operations		(12,748,685)	12,814,465
Financial cost	29	(3,917,295)	(3,484,235)
(Loss)/Profit before income tax		(16,665,980)	9,330,230
Taxation	30	(15,691,465)	(3,623,416)
(Loss)/Profit for the year		(32,357,445)	5,706,814
Earnings per share - basic and diluted	31	(4.92)	0.87

The annexed notes 1 to 39 form an integral part of these financial statements.

ZIA AKBAR ANSARI
 CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
 DIRECTOR

ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER

ADOS PAKISTAN LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017



	JUNE 30 2017	JUNE 30 2016
	-----Rupees-----	
(Loss)/Profit for the year	(32,357,445)	5,706,814
Re-measurement (loss)/gain on employees retirement benefits	(396,839)	310,770
Deferred tax charge on re-measurement (gain)/ loss on employees retirement benefits	119,052	(96,339)
Re-measurement of plan obligations - net of tax	(277,787)	214,431
Other comprehensive (loss)/gain for the year	(277,787)	214,431
Total comprehensive (loss)/income for the year	(32,635,232)	5,921,245

The annexed notes 1 to 39 form an integral part of these financial statements.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER

ADOS PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017



	Issued, subscribed and paid up capital	Revenue reserves Unappropriated Profit/(loss) -----Rupees-----	Shareholders' equity
Balance as at July 01, 2015	65,826,000	201,693,271	267,519,271
Comprehensive income for the year			
Final dividend for the year ended June 30, 2015	-	(32,913,000)	(32,913,000)
Profit for the year ended June 30, 2016	-	5,706,814	5,706,814
Other comprehensive income for the year:			
Re-measurement gain on employees retirement benefits	-	310,770	310,770
Deferred tax charge on re-measurement loss on employees retirement benefits	-	(96,339)	(96,339)
Re-measurement of plan obligations - net of tax	-	214,431	214,431
Balance as at June 30, 2016	65,826,000	174,701,516	240,527,516
Comprehensive income for the year			
(Loss)/Profit for the year ended June 30, 2017	-	(32,357,445)	(32,357,445)
Other comprehensive income for the year:			
Re-measurement loss on employees retirement benefits	-	(396,839)	(396,839)
Deferred tax charge on re-measurement loss on employees retirement benefits	-	119,052	119,052
Re-me Work in progress for repair services	-	(277,787)	(277,787)
Balance as at June 30, 2017	65,826,000	142,066,284	207,892,284

The annexed notes 1 to 39 form an integral part of these financial statements.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER

ADOS PAKISTAN LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017



OR THE YEAR ENDED JUNE 30, 2017

		JUNE 30 2017	JUNE 30 2016
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before income tax		(16,546,928)	9,330,230
Adjustment for:			
Depreciation	6.2	11,045,331	9,244,323
Provision for doubtful receivables	12.1	55,892,352	6,700,405
Provision for employees' benefit obligation	19	1,369,165	1,497,097
Provision for WPPF & WWF	27	1,214,287	857,482
Interest on bank accounts	28	(1,914,377)	(1,013,967)
Financial cost	29	3,917,295	3,484,235
		<u>71,524,053</u>	<u>20,769,575</u>
Operating Profit Before Working Capital Changes		54,977,125	30,099,805
(Increase)/decrease in current assets			
Stores, spares and loose tools		1,653,593	-
Stock in trade		8,464,617	(434,192)
Trade debts		(76,869,547)	157,457,165
Advances		304,000	26,109,656
Trade deposits and short term prepayments		483,627	12,357,110
Due from associated company		14,887,057	8,280,309
		<u>(51,076,653)</u>	<u>203,770,048</u>
Increase/(decrease) in current liabilities			
Trade and other payables		(141,159,341)	(158,904,451)
Profit payable on short term borrowings		101,505	-
Due to associated company		32,644,480	-
Short term borrowings		100,000,000	-
		<u>(8,413,356)</u>	<u>(158,904,451)</u>
Cash (used in)/generated from operations		(4,512,884)	74,965,402
Financial cost paid		(3,917,295)	(3,484,235)
Tax paid		(18,553,297)	(49,759,842)
Gratuity paid		(449,071)	(782,300)
WPPF & WWF paid		(1,214,287)	(835,094)
		<u>(24,133,950)</u>	<u>(54,861,471)</u>
Net cash (used in)/ generated from operating activities		(28,646,834)	20,103,931
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net of disposals		(680,295)	(34,811,944)
Profit realized on bank accounts		1,496,256	1,135,410
Long term loans and advances		(107,000)	170,000
Long term deposits		1,401,600	-
Net cash generated from/(used in) investing activities		2,110,561	(33,506,534)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(32,913,000)
Unclaimed dividend		(21,797)	2,352,123
Net cash (used in) financing activities		(21,797)	(30,560,877)
Net decrease in cash and cash equivalents		(26,558,070)	(43,963,480)
Cash and cash equivalents at the beginning of the year		48,677,491	92,640,971
Effect of changes in exchange rates on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		22,119,421	48,677,491

The annexed notes 1 to 39 form an integral part of these financial statements.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER

1 LEGAL STATUS AND OPERATIONS

Ados Pakistan Limited (the "Company") was incorporated in Pakistan under the Companies Ordinance, 1984 on March 5, 1986 as a Private Limited Company and was later on converted into Public Limited Company on April 4, 1989. The Company's registered office is situated at Plot No.292, Street No.3, I-9/3, Islamabad. Its shares are quoted on Pakistan Stock Exchange. The Company has been involved in the supply of oil and gas field related equipment, fabrication and refurbishment of equipment and spare parts used in oil and gas industry. The Company is also engaged in fabrication of vehicles in respect of bullet proofing protection.

2 STATEMENT OF COMPLIANCE

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

3 STATUS OF STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations that became effective but not relevant to the Company or do not have material effect

During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretations did not have any material effect on these financial statements.

3.2 Standards, interpretations and amendments not yet effective

The following revised standards and amendments and interpretations to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below against the respective standard.

		Effective date (annual periods beginning on or after)
IAS 7	Statement of Cash Flows - Disclosure Initiative (Amendments)	January 1, 2017
IAS 12	Income taxes - Recognition of deferred tax assets for unrealized losses - (Amendment)	January 1, 2017
IAS 40	Investment Property: Transfers of Investment Property (Amendments)	January 1, 2018
IFRS 2	Share based payments - Classification and measurement of share based payments transaction (Amendment)	January 1, 2018
IFRS 4	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	January 1, 2018
IFRS 7	Financial Instruments: Disclosures - Disclosure initiative (Amendments)	January 1, 2017
IFRS 9	Financial Instruments:	July 1, 2018
IFRS 10 & IAS 28	Sale or Contribution of assets between an investor and its associate or joint venture (Amendment)	Not yet Finalized
IFRS 15	Revenue from Contracts with Customers	July 1, 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than the impact on presentation/disclosures. The Company is yet to assess the full impact of the amendments.

The Company has adopted the following accounting standards and amendments and interpretations of IFRSs which became effective for the current year.

IFRS 10	Consolidated Financial Statements, IFRS 12 Disclosure of interests in Other Entities and IAS 27 Separate Financials Statements: Investment Entities: Applying the consolidation Exception (Amendment)
IFRS 11	Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1	Presentation of Financial Statements - Disclosure Initiative (Amendments)
IAS 16	Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of acceptable method of depreciation and amortization (Amendments)
IAS 16	Property, Plant and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS 27	Separate Financial Statements - Equity method in separate financial statements (Amendments)

Annual Improvements

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Changes in method of disposal
IFRS 7	Financial Instruments: Disclosure - Serving contracts
IFRS 7	Financial Instruments: Disclosure - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19	Employees Benefits - Discount rate: regional market issue
IAS 34	Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of above accounting standards did not have any effect on the financial statements.

3.3 Standards, interpretations and amendments not yet adopted

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRS 17	Insurance Contracts

The following interpretations issued by the IASB have been waived of by SECP:

IFRIC 4	Determining Whether an Arrangement Contains Lease
IFRIC 12	Service Concession 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. Financial statements, except for cash flow statement, have been prepared under accrual basis of accounting.

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except:- Employees' benefit obligation (refer note 4.10).

4.2 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 Board of Directors view the Company's operation as one reportable segment.

4.3 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.

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%

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 and 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 profit and loss. The gain or loss arising from the sale of non-current assets is generally included in "other income" or "other operating expense" in the profit and loss.

4.4 Financial instruments

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

Financial assets and financial liabilities are set off and net amount is reported in the balance sheet if the Company has legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.4.1 Financial assets

4.4.1.1 Classification

The management determines the appropriate classification of the financial instruments in accordance with the requirements of International Accounting Standard (IAS 39) "Financial Instruments: Recognition and Measurement" for subsequent measurement.

The classification depends on the purpose for which the financial assets are acquired. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, revalues the designation at each balance sheet date.

a) Available for sale financial assets

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

b) Held-to-maturity Investment (HTM)

Investments held-to-maturity are non-derivative financial assets which carry fixed or determinable payments and fixed maturities other than loans and receivables. Investments are classified as HTM if the company has the positive intention and ability to hold to maturity. HTM investments are measured subsequently at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

c) Loans and receivables

Loans and receivables include trade debts, advances, trade deposits, accrued interest and cash and bank balances.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially measured at fair value plus directly attributable transaction costs. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method less impairment, if any. Discounting is ignored when immaterial. These are classified as current and non-current assets in accordance with criteria set out by IFRSs.

Receivables are assessed on regular basis for impairment and if there is any doubt about the recoverability of these receivables, appropriate amount of provision is made.

d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets. Financial assets at fair value through profit and loss are subsequently carried at fair value.

4.4.2 Financial Liabilities

Financial liabilities, other than those at fair value through profit or loss, are measured at amortized cost using the effective yield method.

The Company's financial liabilities include trade and other payables. Discounting is omitted where the effect of discounting is immaterial. Trade and other payables are initially recognized at fair value less any directly attributable transaction cost.

4.5 Functional and presentation currency

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

4.6 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 and loss account when purchased.

4.7 Stock in trade

Stock in trade is valued at lower of cost and estimated net realizable value. Stock in trade comprise of raw-material, work in process and finished goods, while basis of valuation is weighted average cost.

Raw material cost comprises invoice values plus other related charges paid thereon. Net realizable value signifies estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair value. For the purpose of cash flow statement, 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.

4.9 Taxation

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.

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 profit and loss account, except where they relate to items that are charged or credited directly to the statement of other comprehensive income in which case the related deferred tax is also charged or credited directly to the statement of other 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.

4.10 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, 2017. The results of current valuation are summarized in note 19.

The actuarial gains or losses at each evaluation date are charged to other 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.

4.11 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.

4.12 Related party transactions

Sale and purchase transactions with related parties are carried out at arm's length price under the comparable uncontrolled price method. All other transactions are carried out on the basis of mutually agreed terms.

4.13 Revenue recognition

Revenue is measured by reference to the fair value of consideration received or receivables excluding sales tax, rebates and trade discounts. The Company applies the revenue recognition criteria set out below to each separately identifiable component of revenue.

Sales are recorded on dispatch of goods to customers.

Revenue from repair services is recognized as and when services are rendered.

Interest income is recorded on a time proportional basis.



4.14 Foreign currency transactions and translation

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

4.15 Equity and dividend payments

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 profit and loss.

Interim dividend distributions are recognized in the period in which the dividends are declared by the Board of Directors, while final dividend distributions are recognized as liability in the financial statements in the period in which the dividend are approved by the Company's shareholders at the Annual General Meetings.

4.16 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.

4.17 Expense recognition, borrowing costs

Operating expenses are recognized in the profit and loss account 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.

4.18 Impairment

4.18.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

4.18.2 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 income for the year.

4.19 Contingent liability

Contingent liability is disclosed when:

- there is possible obligation that arise from past event and whose existence will be confirmed only on the occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arise from past event but is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.20 Operating leases/ Ijarah Contracts

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases / Ijarah contracts are charged to profit and loss on a straight-line basis over the period of the lease.

5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting 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.



The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

- (a) Depreciation on property, plant and equipment;
- (b) Recoverable amount and related impairment of depreciable, amortizable and financial assets;
- (c) Provision for taxation and related deferred tax asset or liability;
- (d) Liability against employees' benefit; and
- (e) Other provision, contingent liabilities and contingent assets.

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, 2017

6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Lease hold building on land	Factory building on lease hold land	Plant and machinery	Tools and lab equipment	Office equipment	Furniture and fixture	Carpets and curtains	Vehicles	Total
	Rupees								
	2017								
Cost									
Balance as at July 01, 2016	15,663,368	28,817,986	84,290,913	6,460,580	9,743,500	3,003,457	143,111	54,167,890	202,290,805
Additions	-	-	-	-	680,295	-	-	-	680,295
Balance as at June 30, 2017	15,663,368	28,817,986	84,290,913	6,460,580	10,423,795	3,003,457	143,111	54,167,890	202,971,100
Accumulated Depreciation									
Balance as at July 01, 2016	(7,640,169)	(24,611,866)	(69,754,378)	(5,267,916)	(4,558,566)	(2,473,722)	(126,545)	(16,951,046)	(131,384,208)
Depreciation for the year	(802,321)	(611,517)	(1,453,655)	(119,299)	(560,564)	(52,967)	(1,657)	(7,443,351)	(11,045,331)
Balance as at June 30, 2017	(8,442,490)	(25,223,383)	(71,208,033)	(5,387,215)	(5,119,130)	(2,526,689)	(128,202)	(24,394,397)	(142,429,539)
Written down value as at June 30, 2017	7,220,878	3,594,603	13,082,880	1,073,365	5,304,665	476,768	14,909	29,773,493	60,541,561
Cost	2016								
Balance as at July 01, 2015	15,663,368	28,817,986	84,290,913	5,842,580	9,381,500	2,958,457	143,111	20,380,947	167,478,862
Additions	-	-	-	618,000	362,000	45,000	-	33,786,943	34,811,943
Balance as at June 30, 2016	15,663,368	28,817,986	84,290,913	6,460,580	9,743,500	3,003,457	143,111	54,167,890	202,290,805
Accumulated Depreciation									
Balance as at July 01, 2015	(6,748,702)	(23,879,375)	(68,139,209)	(5,141,120)	(3,957,036)	(2,419,454)	(124,704)	(11,730,285)	(122,139,885)
Depreciation for the year	(891,467)	(732,491)	(1,615,169)	(126,796)	(601,530)	(54,268)	(1,841)	(5,220,761)	(9,244,323)
Balance as at June 30, 2016	(7,640,169)	(24,611,866)	(69,754,378)	(5,267,916)	(4,558,566)	(2,473,722)	(126,545)	(16,951,046)	(131,384,208)
Written down value as at June 30, 2016	8,023,199	4,206,120	14,536,535	1,192,664	5,184,934	529,735	16,566	37,216,844	70,906,597

6.1 Lease hold land includes Rs. 14.25 million relating to land measuring 10 acres in Industrial Estate of Hatter for setting up repair, maintenance and manufacturing of oil field and communication equipments allotted by Sarhad Development Authority (SDA) on a lease term basis of 99 years. A civil suit has been filed by Surban Textile Mills Limited against Chairman SDA and others for allotment of the same to the Company, further explained in Note: 22.3.

	Note	2017 Rupees	2016 Rupees
6.2 Depreciation charge for the year has been allocated as under:			
Cost of sales/services	Note: 24	3,046,609	3,365,924
Administrative expenses	Note: 26	7,998,722	5,878,399
		<u>11,045,331</u>	<u>9,244,323</u>

7 LONG TERM LOANS AND ADVANCES

Considered good - Secured			
Executive employees	Note: 7.1 & 7.3	175,364	65,364
Other than executive employees	Note: 7.2	443,556	446,556
		<u>618,920</u>	<u>511,920</u>
7.1 Reconciliation of carrying amount of advances given to executives:			
Balance at the beginning of the year		65,364	60,364
Disbursements during the year		110,000	5,000
Less: Repayments during the year		-	-
Balance at the end of the year		<u>175,364</u>	<u>65,364</u>
7.2 The above 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/gratuity.			
7.3 The maximum amount due from an executive at the end of any month during the year was Rs. 175,364 (2016: Rs. 175,364)			

8 LONG TERM DEPOSITS

	Note	2017 Rupees	2016 Rupees
Long term deposits	Note: 8.1	-	1,401,600
Margin deposits and bid money- doubtful		813,861	5,283,711
		<u>813,861</u>	<u>6,685,311</u>
Less: Provision for impairment	Note: 8.2	(813,861)	(5,283,711)
Long term deposits		<u>-</u>	<u>1,401,600</u>
8.1 Security deposit held by the Bank Islami against total Ijarah facility Rs. 8,100,000 of one (1) (2016: two (2)) vehicle amounting to Rs. 810,000 (2016: Rs. 1,401,600) has been classified in current assets.			
8.2 Provision for impairment			
Opening balance		5,283,711	5,283,711
- Additions during the year		-	-
- Reversal during the year		(4,469,850)	-
Closing balance		<u>813,861</u>	<u>5,283,711</u>

9 DEFERRED TAXATION

Deferred taxes arising from temporary differences can be summarized as follows:

	Balance as at 30 June 2016	Recognized in/through Profit and loss Account	Comprehensive Income	Balance as at 30 June 2017
Taxable temporary difference:				
- on accelerated tax depreciation	(3,600,056)	1,160,967	-	(2,439,089)
Deductible temporary difference:				
- Stores and loose tools	366,539	129,539	-	496,078
- Stock in trade	-	979,369	-	979,369
- Trade debts	2,996,467	17,555,715	-	20,552,182
- Long term deposits	1,637,950	(1,393,792)	-	244,158
- Employees' benefit obligations	2,156,531	206,462	119,052	2,482,045
- Trade payables	1,349,990	(298,950)	-	1,051,040
Net deferred tax asset	4,907,421	18,339,310	119,052	23,365,783

10 STORES, SPARES AND LOOSE TOOLS

	Note	2017 Rupees	2016 Rupees
Stores	Note: 10.1	-	926,907
Loose tools	Note: 10.2	-	726,686
Stores, spares and loose tools		-	1,653,593
10.1 Stores			
Stores		926,907	926,907
Less: Provision for obsolescence		(926,907)	-
Stores		-	926,907
10.2 Loose tools			
Loose tools		726,686	1,909,070
Less: Provision for obsolescence		(726,686)	(1,182,384)
Loose tools		-	726,686

11 STOCK IN TRADE

Raw materials	Note: 11.1/Note: 24.1	55,200,086	65,286,116
Work in progress		3,105,413	-
Finished goods	Note: 11.2	-	1,484,000
Stock in trade		58,305,499	66,770,116
11.1 Raw materials			
Raw materials		56,980,648	65,286,116
Less: Provision for obsolete and slow moving items	Note: 26.5	(1,780,562)	-
Raw materials		55,200,086	65,286,116
11.2 Finished goods			
Finished goods		1,484,000	1,484,000
Less: Provision for obsolete and slow moving items	Note: 26.5	(1,484,000)	-
Finished goods		-	1,484,000

12 TRADE DEBTS

Trade debts - unsecured			
Considered			
- good		126,587,400	105,610,205
- doubtful		69,023,562	13,131,210
		195,610,962	118,741,415
Less: Provision for impairment in trade debts	Note: 12.1	(69,023,562)	(13,131,210)
Trade debts		126,587,400	105,610,205
12.1 Provision for impairment in trade debts			
Balance as at July 01		13,131,210	6,430,805
Provision made during the year	Note: 26.5	55,892,352	6,700,405
Less: Write off		-	-
Balance as at June 30		69,023,562	13,131,210
12.2	The status of past dues relating to trade debts has been disclosed in note 35.2 (b).		

13 ADVANCES

Advances - unsecured, considered good			
Short term loans and advances to employees against salaries		16,776	320,776
Advances		16,776	320,776

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Margin deposits and bid money	Note: 14.1	567,500	2,295,400
		567,500	2,295,400
Prepayments		1,950,498	1,516,225
Short term deposit against Ijarah	Note: 8.1	810,000	-
Trade deposits and short term prepayments		3,327,998	3,811,625
14.1	This represents bid money of Rs. 0.567 million (2016: 1.779 million) deposited against tender for oil and gas field equipment and armouring of vehicles for different projects.		

15 DUE FROM ASSOCIATED COMPANY

	Note	2017 Rupees	2016 Rupees
Akbar Associates (Private) Limited	Note: 15.1	-	14,887,057
15.1 This includes advances given to Akbar Associates (Private) Limited for expenses and on average outstanding balance, interest is charged at six monthly KIBOR plus 2.00%. Balance payable to associated company is reflected in current liabilities on the balance sheet as "Due to associated company". This balance also includes intra-company settlement of payable of Rs. 45,643,178 (USD 432,452.50) to vendor M/s Cameron (Singapore) PTE Limited against the receivable of associated undertaking from the said vendor.			

16 TAX REFUNDS DUE FROM THE GOVERNMENT

	Note	2017 Rupees	2016 Rupees
Opening balance		156,206,624	113,566,964
Deducted at source during the year		18,125,079	50,673,453
Less: provision for taxation	Note: 30	(34,030,775)	(8,033,793)
Advance tax - net of provision		140,300,928	156,206,624
Sales tax refunds		535,966	226,800
Tax refundable		140,836,894	156,433,424

17 CASH AND BANK BALANCES

Cash in hand		17,301	11,946
Cash at banks:			
Local currency:			
Savings accounts	Note: 17.1	11,784,011	6,466,926
Current accounts	Note: 17.2	9,168,474	41,040,739
Foreign currency current accounts		1,149,635	1,157,880
Cash and bank balances		22,119,421	48,677,491

17.1 The range of interest on these saving accounts is 3.00 % - 7.00 % per annum (2016: 3.00 % - 7.00 % per annum).

17.2 This includes an amount of Rs. nil (2016: Rs. 20,268 million) under lien against performance bonds.

18 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. All shares are equally eligible to receive dividend.

2017 Number	2016 Number		2017 Rupees	2016 Rupees
6,582,600	6,582,600	Ordinary shares of Rs. 10 each issued and Note: 18.1 fully paid in cash	65,826,000	65,826,000

18.1 These includes 106,000 shares held by the Akbar Associates (Private) Limited, an associated company.

19 EMPLOYEES' BENEFIT OBLIGATION

	Note	2017 Rupees	2016 Rupees
Employees' gratuity		5,095,762	4,720,844
The employees' benefit obligation as at the balance sheet date for the reporting year are as			
Present value of defined benefit obligation		5,095,762	4,720,844
Net liability at the end of the year		5,095,762	4,720,844
Movement in the present value of defined benefit obligation (DBO) is as follows:			
Present value of DBO at the beginning of the year		4,720,844	4,714,059
Current service cost		1,077,331	1,094,979
Interest cost		291,834	402,118
Benefit payable		(1,098,046)	(397,242)
Benefit paid		(293,040)	(782,300)
Remeasurments:			
Actuarial (gains)/losses from changes in financial assumptions		2,454	(11,376)
Experience adjustments		394,385	(299,394)
Present value of defined benefit obligation at the end of the year		5,095,762	4,720,844



	Note	2017 Rupees	2016 Rupees
Expense recognized in profit and loss account:			
Current service cost		1,077,331	1,094,979
Interest cost		291,834	402,118
Provision of employees' benefit		1,369,165	1,497,097
Expense is recognized in the following line items in profit and loss account:			
Cost of sale/services	Note: 24.2	1,173,570	1,345,218
Administrative expenses	Note: 26.1	195,595	151,880
		1,369,165	1,497,098
Principal actuarial assumptions used were as follows:			
Discount rate per annum		7.75%	7.25%
Expected rate of increase in eligible salary per annum		6.75%	6.25%
		SLIC	SLIC
Mortality rate		2001-2005	2001-2005
		Mortality table	Mortality table
Average expected remaining working life time of employees		8 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.

	2017	2016	2015	2014	2013
			Rupees		
Present value of defined benefit obligation	5,095,762	4,720,844	4,720,844	4,610,346	4,352,756
Estimated charge to profit and loss for the next year is Rs. 1,383,106.					

20 TRADE AND OTHER PAYABLES

	Note	2017 Rupees	2016 Rupees
Creditors - unsecured		62,059,362	197,805,378
Accrued liabilities		2,426,022	7,032,973
Employees' benefit payable		3,177,722	2,235,707
Advance from customer	Note: 20.1	6,310,301	7,677,700
Tax deducted at source		-	62,396
Workers' Profit Participation Fund (WPPF)	Note: 20.2	93,523	782,032
Employees' income tax payable		97,642	-
Workers' Welfare Fund (WWF)		10,414,322	9,200,034
Other liabilities		46,732	46,732
Trade and other payables		84,625,626	224,842,952

- 20.1 This include advance received from Saudi Relief Fund, amounting to Rs. 1.35 million (2016: Rs. 1.35 million) for the supply of rotary drilling rigs, the adjustment of which is subject to pending litigation as disclosed in note 22.2 to the financial statements and remaining amount represents advances received from customers pertaining to armoring of vehicles.

	Note	2017 Rupees	2016 Rupees
20.2 Workers' Profit Participation Fund			
Balance as at July 01		782,032	835,094
Charge for the year	Note: 27	-	468,872
Interest for the year	Note: 29	69,110	313,160
Transfer to fund during the year		(757,619)	(835,094)
Balance as at June 30		93,523	782,032

21 SHORT TERM BORROWINGS

Short term borrowings	Note: 21.1	100,000,000	-
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- 21.1 Short term borrowing represents karobar finance facility which is available under profit arrangement against facility of Rs. 100 million. This facility is secured by ownership of karobar finance goods and 1st charge over present and future current and fixed assets of the Company amounting to Rs. 334 million. The per annum rate of profit is six month KIBOR + 1.75%.

22 CONTINGENCIES AND COMMITMENTS

- 22.1 The facilities available from Bank amounts to Rs.250 million (2016: Rs. 250 million). The arrangements are secured by way of 1st charge over present and future current and fixed assets of the Company amounting to Rs. 334 million. The rate of markup charge from six months KIBOR plus 1.75 % per annum to six months KIBOR plus 2.00 % per annum (2016: six months KIBOR plus 1.75 % per annum to six months KIBOR plus 2.00 % per annum). The sub limits of facilities for opening letter of credits and letters of guarantees amounts to Rs. 200 million each (2016: Rs. 200 million each) of which Rs. 6.48 million (2016: Nil) and Rs. 48.75 million (2016: 136.409 million) are outstanding respectively. The unavailed facilities from the above arrangements amounted to Rs. 94.77 million (2016: Rs. 113.59 million).
- 22.2 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 in an appeal filed by the Company has stayed the execution proceedings. 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 filled an appealed before the Islamabad High Court, Islamabad, 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. Consequently the operation of the impugned order dated March 11, 2015 has been suspended and the appeal 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.
- 22.3 Lease hold land includes Rs. 14.25 million relating to land measuring 10 acres in Industrial Estate of Hatter for setting up repair, maintenance and manufacturing of oil field and communication equipments allotted by Sarhad Development Authority (SDA) on a lease term basis of 99 years. A civil suit has been filed by Surban Textile Mill Limited 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.
- 22.4 Rectification application has been filed by the Company to Inland Revenue Department for assessment year 2002-03 under section 156 of the repealed income tax ordinance 1979 read with section 221 (1A) of Income Tax Ordinance, 2001 for carrying forward of tax losses (business and un-absorbed depreciation) under section 35 of repeal ordinance read with section 57 of the Income Tax Ordinance, 2001. The correction requested by the Company was of Rs. 38,750,951 which was incorrectly made as Rs. 8,669,664. The Assistant Commissioner Inland Revenue (ACIR) vide its order dated March 03, 2011 rejected the rectification application and imposed additional penalty of Rs. 170,148 and Rs. 242,878 for tax year 2006 and 2007 respectively. On the application of the Company to Commissioner Inland Revenue (CIR) (Appeal-I) which directed ACIR vide order dated September 16, 2011 that the claim of the appellant as regards to brought forward losses has not been looked into in its proper perspective by the ACIR before imposing additional tax. It is directed that a proper position of brought forward losses may be determined first. Only then if there is any outstanding demand that has not been paid timely, additional tax may be imposed. The Inland Revenue Department and Company separately appealed to Appellate Tribunal Inland Revenue (ATIR), against the remand back order of CIR (Appeal-I). ATIR remanded back the case to Commissioner (Appeals) for disposal by passing speaking order on the ground of appeals. Consequently, the case is now pending with the CIR (Appeals-I) Islamabad. The management is confident that the case will be decided in the favour of the Company and consequently no provision for additional tax has been provided in these financial statements and deferred tax impact has not been made in these financial statements.

Commitments

Commitments for rentals under operating lease agreements/ Ijarah contracts as at June 30, 2017 are as follows:

	2017	2016
	Rupees	Rupees
Not later than one year	982,516	3,495,048
Over one year to five years	-	1,330,012
Commitments	982,516	4,825,060

23 REVENUE-NET

Gross sales	427,589,115	616,292,932
Sales tax	(298,591)	(2,194,711)
Revenue-net of sales tax	427,290,524	614,098,221
Discount allowed	-	(146,556)
Revenue-net	427,290,524	613,951,665

24 COST OF SALES/ SERVICES

	Note	2017 Rupees	2016 Rupees
Raw materials consumed	Note: 24.1	294,434,573	465,409,160
Salaries, wages and benefits	Note: 24.2	15,755,998	19,104,596
Factory rent		4,976,613	4,273,226
Repair and maintenance		423,245	1,450,570
Travelling and conveyance		1,315,255	1,671,400
Vehicle running and maintenance		33,900	2,850
Electricity, water and gas		2,316,558	3,280,417
Telephone and postage		259,894	105,481
Carriage and freight		1,260,036	2,061,597
Royalty and equipment rentals		1,771,679	1,606,086
Clearing and service charges		4,257,855	9,371,573
Other factory overheads		5,143,085	7,081,478
Depreciation	Note: 6.2	3,046,609	3,365,924
Cost of sales/ services		334,995,300	518,784,358

24.1 Raw materials consumed

Opening balance as on July 01		65,286,116	(64,851,924)
Add: Purchases during the year		284,348,543	465,843,352
		349,634,659	530,695,276
Less: Closing balance as on June 30	Note: 11.1	(55,200,086)	(65,286,116)
Raw materials consumed		294,434,573	465,409,160

24.2 These include an amount in respect of employees' benefit obligation of Rs. 1,173,570 (2016: Rs.1,345,218) (refer to note: 19).

25 SELLING AND DISTRIBUTION EXPENSES

	Note	2017 Rupees	2016 Rupees
Advertisement and sales promotion		-	54,000
Marketing expenses	Note: 25.1	21,364,526	30,697,583
Selling and distribution expenses		21,364,526	30,751,583

25.1 Marketing expenses

Marketing expenses are being paid to Akbar Associates (Private) Limited, an associated company @ maximum of 5% of the revenue for services rendered to the Company.

26 ADMINISTRATIVE EXPENSES

	Note	2017 Rupees	2016 Rupees
Salaries and other benefits	Note: 26.1	7,476,114	6,376,571
Directors' remuneration		14,610,922	11,203,156
Travelling and conveyance		828,777	1,390,368
Rent, rate and taxes	Note: 26.2	6,130,515	6,943,944
Legal and professional charges		1,480,916	67,916
Fee and subscription		494,669	920,451
Electricity, gas and water		253,803	901,108
Repair and maintenance		1,036,084	1,407,670
Insurance		1,103,340	1,102,276
Printing, stationary and periodicals		623,196	1,156,304
Postage, telex and telephone		738,842	1,412,325
Entertainment and staff welfare		2,465,559	949,303
Depreciation	Note: 6.2	7,998,722	5,878,399
Auditors' remuneration	Note: 26.3	800,000	750,000
Donations	Note: 26.4	1,260,835	446,880
Provision and write offs	Note: 26.5	60,810,507	6,700,405
Miscellaneous expenses		2,531,971	449,070
Administrative expenses		110,644,772	48,056,146

26.1 These include an amount in respect of employees' benefit obligation of Rs. 195,595 (2016: Rs. 151,880) (refer to note: 19).

26.2 This includes ijarah payments under ijarah which under Islamic Financial Accounting Standard (IFAS-2) "Ijarah" are recognized as expenses in profit and loss account on straight line basis over the Ijarah term.

26.3 Auditors' remuneration			
		2017	2016
		Rupees	Rupees
	Annual audit fee	580,000	550,000
	Half-yearly review fee	95,000	95,000
	Review of CCG	80,000	70,000
	Certification	45,000	35,000
	Auditors' remuneration	800,000	750,000
26.4	Donations do not include any amount paid to any person or any organization in which a director or his spouse had any interest.		
26.5 Provision and write-offs			
	Note	2017	2016
		Rupees	Rupees
	Provision for doubtful debts	55,892,352	6,700,405
	Provision against stores, spares and loose tools	1,653,593	-
	Provision against stock in trade	3,264,562	-
	Provision and write-offs	60,810,507	6,700,405
27	OTHER OPERATING EXPENSES		
	Workers' profit participation fund	Note: 20.2	-
	Workers' welfare fund		468,872
	Net exchange loss	1,214,287	388,610
	Liquidity damages - customer	11,073,229	6,769,058
	Other operating expenses	12,287,516	8,310,677
28	OTHER INCOME		
	Income from financial assets		
	Interest income - banks	1,496,256	1,013,967
	Other income	Note: 28.1	36,026,002
		37,522,258	2,016,319
	Income from receivable from related party		
	Interest income - associated company	Note: 15.1	1,343,777
		1,343,777	5,209,085
	Income from non-financial assets		
	Scrap sale	386,870	625,330
	Late delivery charges vendors	-	4,528,310
	Other income	-	13,060
		386,870	5,166,700
		39,252,905	12,392,104
28.1	The Company received a waiver benefit discount of USD 300,000 from the vendor on account of lump sum payment of long outstanding liability.		
29	FINANCIAL COST		
	Note	2017	2016
		Rupees	Rupees
	Interest on Workers' Profit Participation Fund	Note: 20.2	69,110
	Profit against karobar finance		313,160
	Bank charges	2,439,043	1,715,096
	Financial cost	1,409,142	1,455,979
		3,917,295	3,484,235
30	TAXATION		
	Current		
	- for the year	14,480,879	7,045,566
	- prior year	Note: 30.1	19,549,896
		34,030,775	988,227
	Deferred tax	Note: 9	8,033,793
	Income tax expense	Note: 30.2	(18,339,310)
		15,691,465	(4,410,377)
30.1	This includes tax provision on undistributed reserves.		



	Note	2017 Rupees	2016 Rupees
30.2 Relationship between tax expense and accounting profit:			
(Loss)/Profit before taxation		(16,665,980)	9,330,230
Tax at applicable rate of 31% (2016: 32%)		31%	32%
Tax on (loss)/profit before taxation		(5,166,454)	2,985,674
Tax effect of amount not admissible for tax purposes		23,227,206	10,824,295
Tax effect of depreciation - admissible for tax purposes		(2,358,498)	(2,903,177)
Tax effect of amount admissible for tax purposes		(1,082,163)	(3,610,890)
Tax effect of gratuity paid - admissible for tax purposes		(139,212)	(250,336)
Tax impact of prior year income tax		19,549,896	988,227
Tax impact of deferred tax charged		(18,339,310)	(4,410,377)
Actual tax expense net		15,691,465	3,623,416

31 EARNINGS PER SHARE - BASIC AND DILUTED

(Loss)/ Profit for the year - Rupees	(32,357,445)	5,706,814
Number of ordinary shares outstanding during the year	6,582,600	6,582,600
Earnings per share-Rupees	(4.92)	0.87

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

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2017	2016	2017	2016	2017	2016
	Rupees		Rupees		Rupees	
Managerial remuneration	3,999,996	3,666,663	4,599,996	4,266,663	6,697,224	4,109,062
Travelling expenses	4,713,897	1,263,125	1,064,710	1,273,091	773,675	-
Bonus	-	335,527	232,323	398,087	254,772	363,521
	8,713,893	5,265,315	5,897,029	5,937,841	7,725,671	4,472,583
Number of persons	1	1	2	2	5	4

In addition to the above, the chief executive and an executive director has been provided with two vehicles each and another director is provided with one fully company maintained vehicle and all other benefits and perquisites which are available to senior executives. Certain executives are also provided with the company maintained cars. No payment has been made to non executive directors during the year.

33 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, staff retirement funds, directors and key management personnel:

	Note	2017 Rupees	2016 Rupees
33.1 Transactions with Akbar Associates (Private) Limited:			
Marketing expenses	Note: 25	21,364,526	30,697,583
33.2 Common expense sharing:			
Rent, rate and taxes		-	3,891,250
Electricity, gas and water		-	1,785,189
Postage, telex and telephone		-	1,425,925
Entertainment and staff welfare		-	1,856,603

32.2.1 No combined expense is incurred during the year.(2016: 66.66% combined expenses are allocated/charged to Akbar Associates (Private) limited.

	Note	2017 Rupees	2016 Rupees
33.3 Non-sharing expenses paid on behalf of Akbar Associates (Private) Limited		3,964,623	9,157,053
33.4 Interest income charged to Akbar Associates (Private) Limited on average balances at six monthly KIBOR plus 2.00%		1,343,777	5,209,085
33.5 Settlement of payable balance	Note: 15.1	45,643,178	-
33.6 Transactions with key management personnel			
The transaction with key personnel are disclosed in note 32.			

	Note	2017 Rupees	2016 Rupees
33.7 Transactions with others			
Payment to workers' profit participation fund	Note: 20.2	1,214,287	835,094
The related party status of outstanding balances as at balance sheet date are included in relevant notes to the financial statements.			

34 PLANT CAPACITY

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

35 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchange rates, market interest rates, commodity price, credit and liquidity risk associated with various financial assets and liabilities respectively.

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 risk. Risk measured and managed by the Company are explained in the notes below.

35.1 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 sensitivity, interest rate sensitivity and other price risk sensitivity are described in note: 35.1(a), 35.1(b) and 35.1(c) respectively.

(a) Foreign currency sensitivity

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

	2017 Rupees	2016 Rupees
Financial assets	127,737,035	106,768,085
Financial liabilities	(61,457,129)	(197,805,378)
Short-term exposure	66,279,906	(91,037,293)
Financial assets	-	-
Financial liabilities	-	-
Long-term exposure	-	-

The following table illustrates the sensitivity of the net result for the year and equity with regards to Company's financial assets and liabilities and US Dollar - Pak Rupee exchange rate.

A + 0.473/- 0.131 change of the US Dollar exchange rate for the year ended June 30, 2017 (2016: A + 2.67/- 1.16) has been considered. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on Company's foreign currency financial instruments held at each balance sheet date.

If the Pak Rupee had strengthened against the US Dollar by 0.473 (2016: 2.67), then this would have had the following impact:

	2017 Rupees	2016 Rupees
Net result for the year	(298,978)	2,322,712

If the Pak Rupee had weakened against the US Dollar by 0.131 (2016: 1.16), then this would have had the following impact:

	2017 Rupees	2016 Rupees
Net result for the year	82,757	(1,007,236)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above has been considered to be representative of the Company's exposure to foreign currency risk.

(b) Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has external short term borrowings from Karobar Finance and vehicles under Ijarah Finance. The Company is exposed to change in market interest rate through fund utilized out of Workers' Profit Participation Fund (WPPF) and saving accounts in bank, vehicles acquired under Ijarah lease agreements and amount receivable from Akbar Associates (Private) Limited, which are subject to variable interest rates.

	2017 %	2016 %	2017 Rupees	2016 Rupees
	Effective interest rate			
Financial assets				
Bank balances	3.00 to 7.00 %	3.00 to 7.00 %	11,784,011	6,466,926
Due from associated company	6.11%	6.54%	-	14,887,057
			11,784,011	21,353,983
Financial liabilities				
Due to associated company	6.11%	6.54%	-	-
Short Term Borrowings	7.90%	0.00%	100,000,000	-
Profit payable on short term	7.90%	0.00%	101,505	-
Ijarah financing	13.00%	13.00%	982,516	4,825,060
WPPF	8.96%	37.5 %	93,523	782,032
			101,177,544	5,607,092
On balance sheet gap			(89,393,533)	15,746,891

(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, 2017.

35.2 Credit risk analysis

Credit risk represents the accounting loss that would be recognized on the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its trade debts, advances, deposits and other receivables and balances with banks. The credit risk on liquid funds is limited, as the counter parties are banks with reasonably good credit ratings, trade debtors are petroleum companies which have good credit worthiness, associated undertaking over which we have influence, Ijarah security deposits are with banks which have good credit ratings and employees who are also contractually binded and subject to final settlement. The Company believes that it is not exposed to major concentration of credit risk. Out of the total financial assets of Rs. 334,814,996 (2016: Rs. 173,692,503), the financial assets of Rs. 150,702,716 (2016: Rs. 173,692,503) are subject to credit risk.

(a) Exposure to credit risk

	2017 Rupees	2016 Rupees
Classes of financial assets - carrying amounts		
Bank balances	22,102,120	50,067,145
Trade and other receivables	128,600,596	123,625,358
	150,702,716	173,692,503
The maximum exposure to credit risk for financial assets at the reporting date by type of counterparty was:		
Companies - Petroleum	126,587,400	105,610,205
Company - Associated Undertaking	-	14,887,057
Companies- Others	-	320,776
Banks and financial institutions	22,102,120	50,067,145
Employees	635,696	511,920
Provincial Governments	567,500	2,295,400
Others	810,000	-
	150,702,716	173,692,503

The Company's management continuously monitors defaults of customers and other counterparties, identified either individual or by group. Where available at reasonable cost, external credit ratings or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

(b) Credit quality of major financial assets

Management considers that all the above financial assets that are not impaired on each of the reporting dates have good credit quality, including those that are past due.

Trade receivables

Financial assets due but not impaired can be shown as follows:

	2017 Rupees	2016 Rupees
Neither past due nor impaired:		
Not more than 1 month	96,785,911	10,095,920
Past due but not impaired:		
More than 1 month but not more than 6 months	16,946,959	23,232,345
More than 6 months but not more than 1 year	3,765,067	3,031,720
More than 1 year but not more than 3 years	9,089,463	69,250,220
	126,587,400	105,610,205

Past due - Credit worthiness in terms of default

Customers with no defaults in the past one year	117,497,937	36,359,985
Customers with some defaults in past one year which have been fully recovered	-	-
Customers with defaults in past one year which have not yet been recovered	9,089,463	69,250,220
	126,587,400	105,610,205

Majority of companies includes multinationals which have good credit worthiness

Company - Associated Undertaking

This includes amount receivable from Akbar Associates (Private) Limited in respect of payments made for various expense. The company is also paid marketing expenses @ 5% of sales in respect of marketing services provided by them which on average amount to Rs. 20-35 million yearly and this amount may also be adjusted against the marketing expenses.

Companies- Others

This includes amount receivable from a company involved in import of vehicles and having a good credit worthiness.

Bank balances

The credit risk for cash and cash equivalents is considered negligible, since the counter parties are reputable banks with high quality credit ratings.

The bank balances along with credit ratings are tabulated below:

	Rating agency	2017 Rupees	2016 Rupees
A1+	PACRA	10,133,692	41,417,700
A1	PACRA	11,386,474	8,088,099
A-1+	JCR-VIS	-	-
A-2	JCR-VIS	523	506
A-1	JCR-VIS	581,431	560,840
		22,102,120	50,067,145

Employees

This amount represents advances given to employees who are in the lawful binding employment contract and are subject to final settlement.

Provincial Governments

This represents amounts paid to provincial governments in respect of bid money and the credit risk on such is low.

35.3 Liquidity risk analysis

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash flow management and planning policy to ensure the availability of funds and to take appropriate measures for new requirements. Company maintains cash and balances with banks to meet its liquidity requirement for thirty (30) days period. Funding for long term liquidity needs is additionally secured by an adequate amount of committed credit facility from financial institutions and Company's directors.

At balance sheet date, the Company's liabilities have contractual maturities which are summarized below:

June 30, 2017	Within 1 months	More than 1 to 6 months	More than 6 to 12 months
Trade and other payables	3,327,545	23,168,497	58,129,584
Due to associated company	-	-	-
Profit payable on short term borrowings	-	101,505	-
Short term borrowings	-	100,000,000	-
Unclaimed dividend	5,808,451	-	-
	9,135,996	123,270,002	58,129,584

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



June 30, 2016	Within 1 months	More than 1 to 6 months	More than 6 to 12 months
Trade and other payables	-	224,842,952	-
Unclaimed dividend	5,830,248	-	-
	5,830,248	224,842,952	-

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 management believes that the company is not exposed to any significant liquidity risk.

35.4 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.

35.5 Summary of financial assets and liabilities by category

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

	Note	2017 Rupees	2016 Rupees
Financial assets at amortized cost			
- Trade debts	Note: 12	126,587,400	105,610,205
- Due from Associated Undertaking	Note: 15	-	14,887,057
- Advances	Note: 13	-	320,776
- Margin deposits and bid money	Note: 14.1	567,500	2,295,400
- Others		810,000	-
- Employees	Note: 7 & 13	635,696	511,920
- Bank balances	Note: 17	22,102,120	50,067,145
		150,702,716	173,692,503
Financial liabilities			
Financial liabilities measured at amortized cost			
- Trade and other payables		84,625,626	222,607,245
- Due to associated company	Note: 15	-	-
- Profit payable on short term borrowings		101,505	-
- Short term borrowings		100,000,000	-
- Unclaimed dividend		5,808,451	5,830,248
		190,535,582	228,437,493

36 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Company is not subject to any externally imposed capital requirements.

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.

	2017 Rupees	2016 Rupees
Total equity	207,892,284	240,527,516
- Cash and bank balances	(22,119,421)	(48,677,491)
Capital	185,772,863	191,850,025
Total equity	207,892,284	240,527,516
Overall financing	207,892,284	240,527,516
Capital-to-overall financing ratio	0.89	0.80

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. 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.

37 OPERATING SEGMENT

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

- Oil field equipment sales represent 98.6% (2016: 98.0%) of the total sales of the Company.
- 100% (2016: 100%) of the Company's sales relate to customers in Pakistan.
- All non-current assets of the Company as at June 30, 2017 are located in Pakistan
- Five (2016: Five) of the Company's customers having net sales aggregating Rs.421.22 million (2016: Rs.610.69 million) contributed towards 99 % (2016: 99%) of the Company's sales. Two (2016: Three) customers individually exceeded 10% of total sales.

ADOS PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017



38 NUMBER OF EMPLOYEES

	2017 Number	2016 Number
Number of employees at the year end	54	66
Average number of employees	59	72

39 GENERAL

39.1 General and corresponding figures

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

39.2 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 09, 2017.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER



PROXY FORM

The Secretary,
ADOS Pakistan Limited
88, Khayaban-e-Iqbal,
Sector F-8/2,
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 32nd Annual General Meeting of the
company to be held on _____

_____ and at any adjournment thereof.
Signed this _____ day of _____ 2017.

Signature on
One Rupee
Revenue Stamp

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

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.