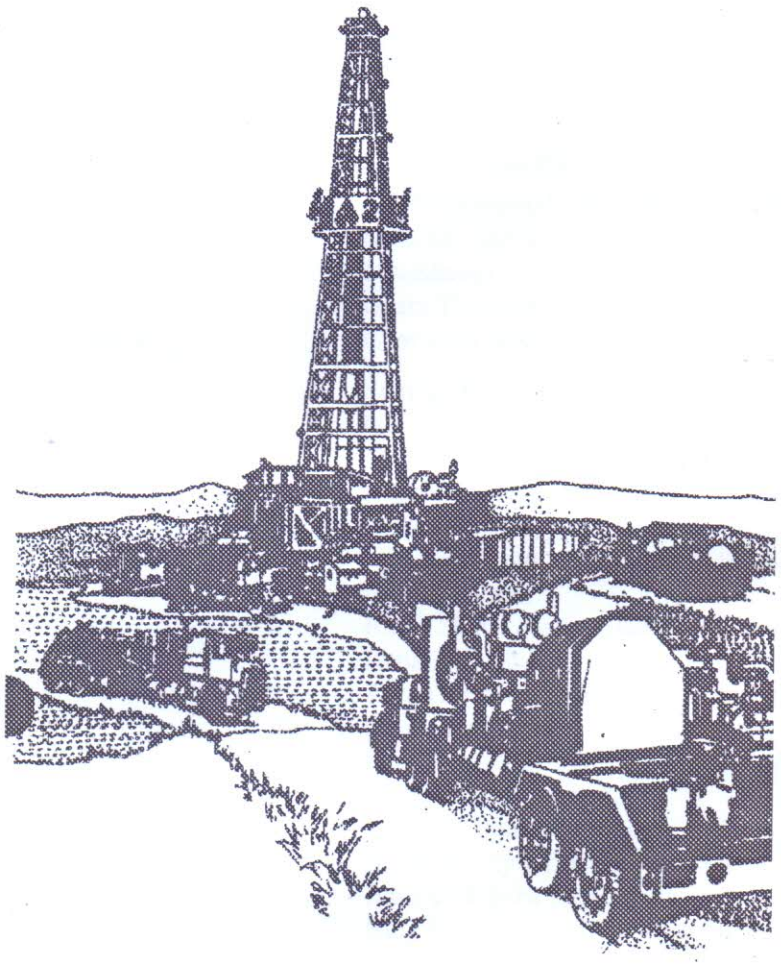
ADOS PAKISTAN LIMITED

REPORT ON HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015



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
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. NIB Bank Limited (Formerly PICIC Commercial Bank Limited, Razia Sharif Plaza, Blue Area, Islamabad. Bank Alfalah Limited, Awan Arcade, Blue Area, Islamabad. Bank Islami 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. Burj Bank Limited, F-8 Markaz, Islamabad
LEGAL ADVISORS	Samad Law Associates, Samad Chambers, 1st Floor, G-253/A, Liquat Road, Rawalpindi.
REGISTERED OFFICE	# 88, Khayaban-e-lqbal, F-8/2, Islamabad. Tel # 92-51-2264308-2255560 Fax # 92-51-2281678
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 5221192
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

DIRECTOR'S REPORT TO THE MEMBERS

Gentlemen,

The Directors of the company take pleasure in placing before you the condensed interim financial statements for the half year and quarter ended December 31, 2015 together with the Auditor's review report on it thereon:

1. As stated in the latest report to the management, the Company is facing continuous challenge related to the slumps in the Oil & Gas Industry as this is badly affecting the Orders from Oil & Gas exploration companies operating in Pakistan (E & P Companies) and consequently the revenue of the Company is shrinking.

2. The management is utilizing all its efforts to get orders from E & P companies operating in Pakistan as the current slump has greatly affects the future orders. The management is utilizing its full capacities to get orders for its specialized fabrication division in order to boost the sales.

3. Regarding qualification by our external auditors in their report to the members on the correctness relating to nomenclature and valuation of items being classified as Stores, Spares and loose tools amounting to Rs. 1,653,593 (2015: 1,653,593) and Stock in trade amounting to Rs.3,264,562 (2015: 3,264,562), as stated in previous financial years, the Company has purchased these items stated under the above stated heads 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. In addition to above, regarding existence as stated by the auditors, the problem it meant was the absence of verification on individual itemized basis rather than collective/bulk.

4. The management has decided not to pay interim dividend for the quarter and six months ended December 31, 2015 keeping in view the 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.

For and on behalf of the Board

ZIA AKBAR ANSARI
CHIEF EXECUTIVE OFFICER & DIRECTOR

Islamabad, February 29, 2016

AUDITORS REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **ADOS Pakistan Limited** as at **December 31, 2015** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "interim financial information"), for the six months then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review the cumulative figures only for the half year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

We were unable to verify the existence, correctness of valuation and nomenclature of items being classified as Stores spares and loose tools amounting to Rs. 1,653,593 (June 30, 2015 : Rs. 1,653,593) and Stock in trade amounting to Rs. 3,264,562 (June 30, 2015 : Rs. 3,264,562) due to non availability of information.

Qualified Conclusion

Based on our review, except for the financial effects of matter referred in paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended December 31, 2015 are not presented fairly, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Partner: Imran Afzal
Lahore
Date: February 29, 2016

ADOS PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015

	Note	Unaudited December 31 2015	June 30 2015
		----------Rupees----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	72,910,014	45,338,977
Long term loan and advances		782,920	681,920
Long term deposits- net of provision		1,401,600	1,401,600
Deferred taxation		-	593,382
TOTAL NON-CURRENT ASSETS		75,094,534	48,015,879
CURRENT ASSETS			
Stores and loose tools		1,653,593	1,653,593
Stock in trade		85,224,556	66,335,924
Trade debts- considered good- unsecured		171,744,147	269,767,775
Advances- net of provision		173,687	26,430,432
Due from associated company	5	48,713,462	23,167,366
Short term deposits and prepayments		5,330,225	16,168,735
Accrued interest on saving accounts		38,999	151,178
Tax refundable from Government- net		151,464,790	114,707,375
Cash and bank balances		155,315,044	92,640,971
TOTAL CURRENT ASSETS		619,658,503	611,023,349
TOTAL ASSETS		694,753,037	659,039,228
SHARE CAPITAL AND RESERVES			
Authorized share capital			
7,000,000 (2015: 7,000,000) ordinary shares of Rs. 10 each		70,000,000	70,000,000
Issued, subscribed and paid up capital			
6,582,600 (2015: 6,582,600) ordinary shares of Rs. 10 each		65,826,000	65,826,000
RESERVES			
Revenue reserve-unappropriated profit		169,157,709	201,693,271
TOTAL EQUITY		234,983,709	267,519,271
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' benefit obligation		7,054,942	6,552,524
Deferred taxation		1,783,547	-
TOTAL NON-CURRENT LIABILITIES		8,838,489	6,552,524
CURRENT LIABILITIES			
Trade and other payables		444,951,613	381,489,308
Unclaimed dividend		5,979,226	3,478,125
TOTAL CURRENT LIABILITIES		450,930,839	384,967,433
TOTAL LIABILITIES		459,769,328	391,519,957
TOTAL EQUITY AND LIABILITIES		694,753,037	659,039,228
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE OFFICER

JAMAL AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS ENDED DECEMBER 31, 2015

	Note	Quarter ended		Six months ended	
		December 31 2015	December 31 2014	December 31 2015	December 31 2014
		----------Rupees----------			
Revenue		195,484,753	64,127,317	225,554,086	329,543,238
Sales tax		(169,252)	(199,718)	(176,193)	(768,520)
		195,315,501	63,927,599	225,377,893	328,774,718
Cost of sales/services		(153,823,120)	(52,277,549)	(186,480,078)	(275,431,536)
Gross profit		41,492,381	11,650,050	38,897,815	53,343,182
Administrative expenses		(10,147,365)	(9,804,422)	(27,994,963)	(30,342,087)
Distribution cost		(9,442,937)	(3,018,668)	(11,327,118)	(16,438,736)
Other operating expenses		(908,983)	(435,640)	(908,983)	(435,640)
Other income/expense		5,299,418	(448,106)	6,341,395	6,070,094
Profit/(loss) before taxation		26,292,514	(2,056,786)	5,008,146	12,196,813
Taxation		(2,602,835)	(107,314)	(4,630,708)	(5,164,232)
Profit/(loss) for the period		23,689,679	(2,164,100)	377,438	7,032,581
Earning per share-basic and diluted	7	3.60	(0.33)	0.06	1.07

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE OFFICER

JAMAL AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS ENDED DECEMBER 31, 2015

	Quarter ended		Six months ended	
	December 31 2015	December 31 2014	December 31 2015	December 31 2014
	----------Rupees----------			
Profit/(loss) for the period	23,689,679	(2,164,100)	377,438	7,032,581
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	23,689,679	(2,164,100)	377,438	7,032,581

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE OFFICER

JAMAL AKBAR ANSARI
DIRECTOR