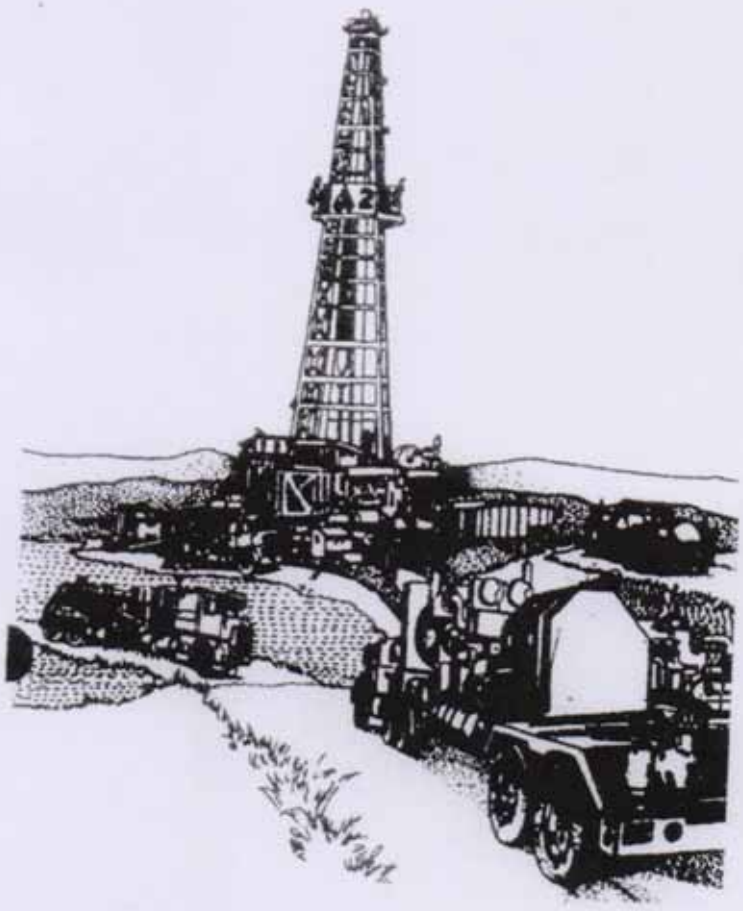
ADOS PAKISTAN LIMITED

REPORT ON NINE MONTHS AND QUARTER ENDED MARCH 31, 2014



COMPANY INFORMATION

CHIEF EXECUTIVE OFFICER	Mr. Zia Akbar Ansari
DIRECTORS	Mr. Jamal Akbar Ansari Mr. Zia Akbar Ansari Ms. Suboohi Ansari Ms. Sabina Ansari Mrs. Uzma Jamal Mrs. Shoobarana Zia Mr. Sheikh Usman Ahmed
COMPANY SECRETARY	Ms. Sabina Ansari
CHIEF FINANCIAL OFFICER	Mr. Ali Imran Haider Bokhari
AUDIT COMMITTEE	Mr. Jamal Akbar Ansari- Chairman Mrs. Shoobarana Zia- Member Ms. Suboohi Ansari- Member/Secretary
AUDITORS	Anjum Asim Shahid Rehman Chartered Accountants
BANKERS	Burj Bank Limited, F-8 Markaz, 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.
LEGAL ADVISORS	Samad Law Associates, Samad Chambers, 1st Floor, G-253/A, Liquat Road, Rawalpindi.
REGISTERED OFFICE	# 88, Khayaban-e-Iqbal, F-8/2, Islamabad. Tel # 92-51-2264308-2255560 Fax # 92-51-2281678
SHARE REGISTRAR / TRANSFER AGENT	Evolution Factor (Private) Limited, formerly Corporate Support Services (Private) Limited 407-408, Al Ameera Center, Shahrah-e-Iraq, Saddar, Karachi. Tel # 92-21-5662023-24 Fax: + 92 21 5221192
FACTORY	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,

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 Nine months and quarter ended March 31, 2014:

1. The management is working hard to get maximum of orders from Oil & Gas Exploration Companies Operating in Pakistan and also for its specialized fabrication division in order to maintain the level of sales while also maintaining the quality & standard of work.

   The management is also closely monitoring the current scenario of business and security situation along with the energy crisis inside the country as their consequence is badly affecting the overall economy.

2. The management feels satisfaction that the Company is on the continuous path of profitability and is in a healthy & sound financial position with greater satisfaction of its shareholders.

3. As stated in last annual report 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 (2013: 1,653,593) and Stock in trade amounting to Rs.3,264,562 (2013: 3,264,562), it is stated that 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. The management has consulted with the financial advisors and it is pointed out that these items are not of capital nature and hence depreciation charge cannot be made.

4. The management has decided not to pay interim dividend for the quarter and nine months ended March 31, 2014 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, April 30, 2014

ADOS PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2014

	Note	Unaudited March 31, 2014	June 30, 2013
		----------Rupees----------	(Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	49,941,391	45,460,664
Long term loan and advances		4,836,524	4,889,024
Deferred taxation		2,712,084	3,329,651
		57,489,999	53,679,339
CURRENT ASSETS			
Stores and loose tools		1,653,593	1,653,593
Stock in trade		53,697,014	6,058,337
Trade debts- considered good- unsecured		348,524,294	466,414,476
Advances		31,941,566	2,125,919
Short term deposits and prepayments		11,785,046	8,014,357
Accrued interest on saving accounts		530,002	301,899
Tax refundable from Government- net		46,845,941	41,157,007
Short term investment		87,073,241	-
Cash and bank balances		84,602,393	298,688,675
		666,653,090	824,414,263
TOTAL ASSETS		724,143,089	878,093,602
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
7,000,000 (2013: 7,000,000) ordinary shares of Rs. 10 each		70,000,000	70,000,000
Issued, subscribed and paid up capital		65,826,000	65,826,000
6,582,600 (2013: 6,582,600) ordinary shares of Rs. 10 each			
RESERVES			
Revenue reserve un-appropriated profit		227,253,448	208,067,138
TOTAL EQUITY		293,079,448	273,893,138
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' benefit obligation		6,393,732	5,962,968
		6,393,732	5,962,968
CURRENT LIABILITIES			
Trade and other payables		420,943,243	590,486,679
Due to associated company		-	3,572,252
Unclaimed dividend		3,726,666	4,178,565
		424,669,909	598,237,496
TOTAL LIABILITIES		431,063,641	604,200,464
TOTAL EQUITY AND LIABILITIES		724,143,089	878,093,602

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

SHEIKH USMAN AHMED
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2014

	Note	Quarter ended		Nine months ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		----------Rupees----------			
Revenue	5	140,830,528	204,697,831	516,064,998	648,841,812
Cost of sales/services	5	(120,588,760)	(160,283,257)	(422,995,150)	(514,354,184)
Gross profit		20,241,768	44,414,574	93,069,848	134,487,628
Administrative expenses		(10,127,123)	(13,742,797)	(36,833,359)	(34,087,227)
Distribution cost		(7,265,071)	(10,896,379)	(26,026,795)	(33,103,578)
Financial charges		(507,513)	(240,168)	(1,080,057)	(515,743)
Other Operating income		38,559,123	6,813,459	27,454,439	9,364,453
Profit before taxation		40,901,185	26,348,690	56,584,076	76,145,536
Taxation		(14,882,987)	(9,730,722)	(20,941,266)	(29,406,465)
Profit for the period		26,018,198	16,617,968	35,642,810	46,739,071
Earning per share-basic and diluted	6	3.95	2.52	5.41	7.10

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

SHEIKH USMAN AHMED
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2014

	Quarter ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	----------Rupees----------			
Profit for the period	26,018,198	16,617,968	35,642,810	46,739,071
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	26,018,198	16,617,968	35,642,810	46,739,071

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

SHEIKH USMAN AHMED
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Nine months ended	
	March 31, 2014	March 31, 2013
	----------Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	56,584,076	76,145,536
Adjustment for:		
Depreciation	4,321,869	4,594,097
Provision for employees' benefit obligation	1,081,488	1,023,406
Gain on disposal of property, plant and equipment	(4,514,046)	-
Provision for WPPF & WWF	4,019,239	-
Interest on bank accounts	(11,780,773)	(2,671,664)
Financial cost	1,080,057	515,743
	(5,792,166)	3,461,581
	50,791,910	79,607,117
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
(Increase)/decrease in current assets:		
Stock in trade	(47,638,677)	3,605,633
Trade debts	117,890,182	(97,824,304)
Advances	(29,815,647)	(112,904)
Short term deposits and prepayments	(3,770,689)	706,110
	36,665,169	(93,625,465)
Increase/(decrease) in current liabilities:		
Trade and other payables	(173,562,675)	169,131,603
Due to associated company	(3,572,252)	(719,822)
	(177,134,927)	168,411,781
Cash generated from/(used in) operations	(89,677,848)	154,393,433
Financial cost paid	(1,080,057)	(515,743)
Tax paid	(26,012,633)	(20,125,569)
Gratuity paid	(650,724)	(393,900)
	(27,743,414)	(21,035,212)
Net cash generated from/ (used in) operating activities	(117,421,262)	133,358,220
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(5,265,050)	-
Disposal of property, plant and equipment	976,500	-
Profit realized on bank accounts	11,552,670	2,982,451
Long term loan and advances	52,500	(1,088,058)
Short term investment	(87,073,241)	-
Net cash (used in)/ generated from investing activities	(79,756,621)	1,894,392
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(16,908,399)	-
Net cash used in financing activities	(16,908,399)	-
Net increase /(decrease) in cash and cash equivalents	(214,086,282)	135,252,612
Cash and cash equivalents at the beginning of the period	298,688,675	142,592,163
Cash and cash equivalents at the end of the period	84,602,393	277,844,775

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

SHEIKH USMAN AHMED
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Issued, subscribed and paid up capital	Unappropriated profit	Total Shareholders' equity
	----------Rupees----------		
Balance as at July 01, 2012 as previously reported	65,826,000	110,291,056	176,117,056
Effect of change in accounting policy (note 3.3)	-	(543,406)	(543,406)
Balance at July 01, 2012 - restated	65,826,000	109,747,650	175,573,650
Total comprehensive income for the period ended December 31, 2012	-	30,121,101	30,121,101
Balance as at December 31, 2012 - restated	65,826,000	139,868,751	205,694,751
Total comprehensive income for the period ended June 30, 2013	-	68,210,244	68,210,244
Balance as at July 01, 2013 - restated	65,826,000	208,078,995	273,904,995
Effect of change in accounting policy (note 3.3)	-	(11,856)	(11,856)
Balance at July 01, 2013 - restated	65,826,000	208,067,138	273,893,138
Total comprehensive income for the period ended March 31, 2014	-	35,642,810	35,642,810
Transactions with owners:			
Dividend - final	-	(16,456,500)	(16,456,500)
Balance as at March 31, 2014	65,826,000	227,253,448	293,079,448

The annexed notes from 1 to 8 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

SHEIKH USMAN AHMED
DIRECTOR

1 THE COMPANY AND ITS 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 House No. 88, Khayaban-e-Iqbal, F-8/2, Islamabad. Its shares are quoted on all the three stock exchanges in Pakistan. 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 BASIS OF PRESENTATION

2.1 Statement of compliance

This condensed interim financial information is unaudited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 'Interim Financial Reporting' and directives issued under the Companies Ordinance 1984. In case where requirements differ, the provisions of or directives issued under the Companies ordinance 1984 have been followed. This condensed interim financial information should be read in conjunction with the financial statements of the Company for the year ended June 30, 2013.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for the recognition of staff retirement benefits which is stated at present value.

2.3 Functional and presentational currency

These condensed interim financial statements have been presented in Pak rupees which is functional and presentational currency of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & ESTIMATES

3.1 Accounting policies

Except as described in note 3.3 below accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2013.

3.2 Estimates

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2013.

3.3 Change in accounting policies

January 01, 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses (remeasurement gains / (losses) on Employees' Gratuity Fund benefit are recognized immediately in other comprehensive income. Previously, the actuarial gains or losses in excess of corridor limit were recognized in profit and loss over the remaining service life of the employees. This change in accounting policy has been accounted for retrospectively and comparative figures have thereby been restated.

The impacts of retrospective application of IAS 19 (Revised) are as follows:	Cumulative effect up to June 30, 2013	Effect for the year ended June 30, 2013	Cumulative effect up to July 01, 2012
	----------Rupees----------		
Decrease in unappropriated profit			
Actuarial loss on gratuity fund (net of tax)	555,263	11,856	543,406
Increase in non-current liabilities			
Increase in employees' benefit obligation	841,307	17,964	823,343
Increase in non-current assets			
Deferred taxation	286,044	6,108	279,937

There is no material impact on total comprehensive income for the periods ended March 31, 2014 and March 31, 2013. Furthermore the actuarial valuation is carried out on annual basis, so impact on condensed interim profit and loss account and condensed interim statement of comprehensive income for the six months ended December 31, 2013 has not been disclosed separately. Provision for nine months ending March 31, 2014 has been charged in profit and loss account based on management estimates. Furthermore effect on the statement of financial position at the beginning of preceding period is immaterial and accordingly two statement of financial positions have been presented.

4 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2014 Rupees	June 30, 2013 Rupees
Opening net book value (NBV)	45,460,664	51,436,951
Additions during the period/ year	9,765,050	153,000
Disposals during the period/ year	(962,454)	-
	54,263,260	51,589,951
Depreciation charged during the period/year	(4,321,869)	(6,129,287)
Closing net book value (NBV)	49,941,391	45,460,664

5 REVENUE/ COST OF SALES

Nine month ended March 31, 2014	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	512,886,639	3,178,359	516,064,998
Cost of sales			
Cost of material	(356,614,578)	(1,792,033)	(358,406,611)
Salaries, wages and benefits	(12,162,848)	(61,120)	(12,223,968)
Depreciation	(3,168,703)	(15,923)	(3,184,626)
Other expenses	(48,934,045)	(245,900)	(49,179,945)
	(420,880,174)	(2,114,976)	(422,995,150)
Result	92,006,465	1,063,383	93,069,848

Nine months ended March 31, 2013	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	643,767,061	5,074,751	648,841,812
Cost of sales			
Cost of material	(448,382,489)	(10,524,937)	(458,907,426)
Salaries, wages and benefits	(10,633,404)	(767,870)	(11,401,274)
Depreciation	(3,593,693)	(346,314)	(3,940,007)
Other expenses	(39,704,422)	(401,055)	(40,105,477)
	(502,314,008)	(12,040,176)	(514,354,184)
Result	141,453,053	(6,965,425)	134,487,628

Quarter ended March 31, 2014	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	140,073,721	756,807	140,830,528
Cost of sales			
Cost of material	(99,352,488)	(239,143)	(99,591,631)
Salaries, wages and benefits	(3,552,199)	(9,144)	(3,561,343)
Depreciation	(1,057,414)	(3,179)	(1,060,593)
Other expenses	(16,326,122)	(49,071)	(16,375,193)
	(120,288,223)	(300,537)	(120,588,760)
Result	19,785,498	456,270	20,241,768

Quarter ended March 31, 2013	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	203,067,584	1,630,247	204,697,831
Cost of sales			
Cost of material	(139,877,589)	(8,036,994)	(147,914,583)
Salaries, wages and benefits	(4,111,578)	(200,755)	(4,312,333)
Depreciation	(1,204,320)	(337,045)	(1,541,365)
Other expenses	(6,382,565)	(132,411)	(6,514,976)
	(151,576,052)	(8,707,205)	(160,283,257)
Result	51,491,532	(7,076,958)	44,414,574

6 EARNING PER SHARE - BASIC AND DILUTED

	Quarter ended		Nine months ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	----------Rupees----------			
Profit for the period after tax	**26,018,198**	16,617,968	**35,642,810**	46,739,071
Number of ordinary shares outstanding during the period	**6,582,600**	6,582,600	**6,582,600**	6,582,600
Earnings per share-Rupees	**3.95**	2.52	**5.41**	7.10

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

7 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 30th April, 2014 by the Board of Directors of the Company.

8 GENERAL

Figures in this condensed interim financial information have been rounded off to the nearest rupee.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

SHEIKH USMAN AHMED
DIRECTOR