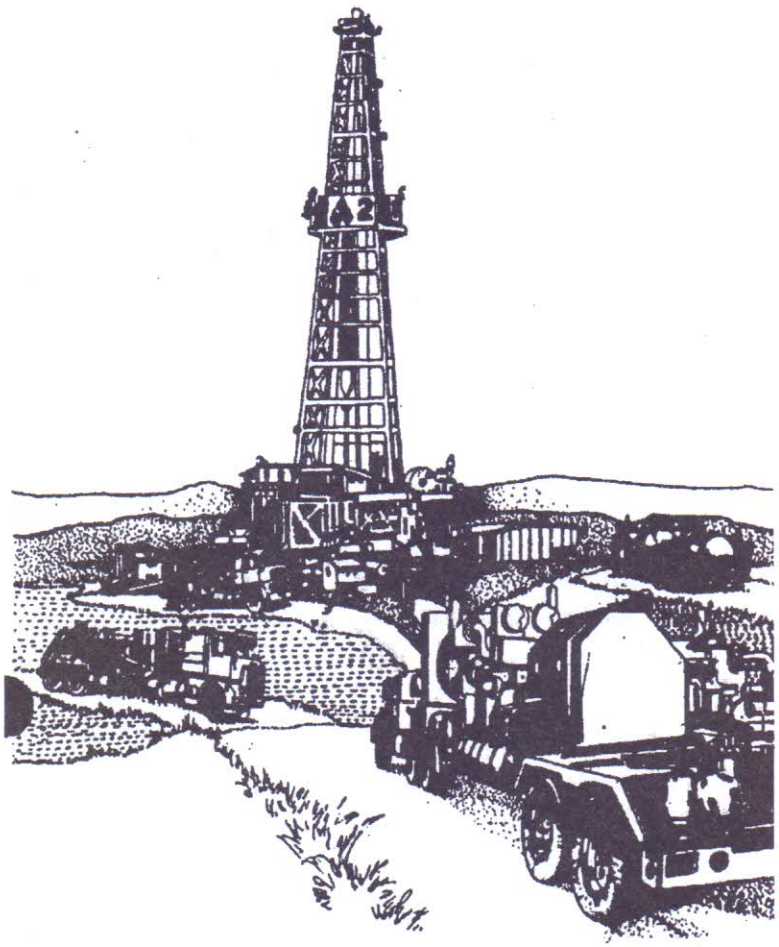
ADOS PAKISTAN LIMITED

REPORT ON NINE MONTHS AND QUARTER ENDED MARCH 31, 2017



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	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

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, 2017:

1. With the process towards normalization of the Oil & Gas industry the management is utilizing all its efforts to get orders from E & P companies operating in Pakistan in order to boost its sales.

2. Regarding qualification by our external auditors in their last 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 (2016: 1,653,593) and Stock in trade amounting to Rs.3,264,562 (2016: 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.

3. The management has decided not to pay interim dividend for the quarter and nine months ended March 31, 2017 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 28, 2017

ADOS PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2017

	Note	Unaudited March 31, 2017	June 30, 2016
		----------Rupees----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	63,571,105	70,906,597
Long term deposits		1,401,600	1,401,600
Long term loan deposits and advances		624,920	511,920
Deferred taxation		6,484,097	4,907,421
		72,081,722	77,727,538
CURRENT ASSETS			
Stores, spares and loose tools		1,653,593	1,653,593
Stock in trade		69,239,746	66,770,116
Trade debts		244,179,034	105,610,205
Advances		267,806	320,776
Due from associated company		14,927,000	14,887,057
Trade deposits and short term prepayments		4,177,808	3,811,625
Accrued interest on saving accounts		123,315	29,735
Tax refundable from Government- net		147,956,813	156,433,424
Cash and bank balances		103,645,117	48,677,491
		586,170,233	398,194,022
TOTAL ASSETS		658,251,955	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 capital		65,826,000	65,826,000
6,582,600 (2016: 6,582,600) ordinary shares of Rs. 10 each			
RESERVES			
Revenue reserve un-appropriated profit		179,591,850	174,701,516
TOTAL EQUITY		245,417,850	240,527,516
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' benefit obligation		7,702,711	6,956,551
		7,702,711	6,956,551
CURRENT LIABILITIES			
Trade and other payables		339,242,771	222,607,245
Short term borrowings		60,079,000	-
Unclaimed dividend		5,809,623	5,830,248
		405,131,394	228,437,493
TOTAL LIABILITIES		412,834,105	235,394,044
TOTAL EQUITY AND LIABILITIES		658,251,955	475,921,560

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

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2017

	Note	Quarter ended		Nine months ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		----------Rupees----------			
Revenue	5	251,206,861	351,206,831	303,693,212	576,584,724
Cost of sales/services	5	(185,060,389)	(280,887,984)	(236,055,828)	(467,368,062)
Gross profit		66,146,473	70,318,846	67,637,385	109,216,661
Administrative expenses		(11,788,271)	(10,594,674)	(31,382,382)	(38,589,637)
Distribution cost		(12,560,343)	(37,222,985)	(15,461,159)	(48,550,103)
Financial charges		(173,023)	(4,386,876)	(571,081)	(5,295,859)
Other operating income / (expense)		427,065	(34,146)	1,031,593	6,307,249
Profit before taxation		42,051,899	18,080,165	21,254,355	23,088,311
Taxation		(7,972,245)	(874,960)	(16,364,021)	(5,505,668)
Profit for the period		34,079,654	17,205,205	4,890,334	17,582,643
Earning per share-basic and diluted	6	5.18	2.61	0.74	2.67

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

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2017

	Quarter ended		Nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----------Rupees----------			
Profit for the period	34,079,654	17,205,205	4,890,334	17,582,643
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	34,079,654	17,205,205	4,890,334	17,582,643

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

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Nine months ended	
	March 31, 2017	March 31, 2016
	----------Rupees----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	**21,254,355**	23,088,311
Adjustment for:		
Depreciation	**7,999,991**	9,000,373
Provision for employees' benefit obligation	**1,034,827**	315,670
Provision for WPPF & WWF	**1,464,424**	371,173
Interest on bank accounts	**123,315**	34,721
Financial cost	**477,501**	5,412,338
	11,100,057	15,134,276
	32,354,412	38,222,587
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
(Increase)/decrease in current assets:		
Stock in trade	**(2,469,630)**	(5,208,632)
Trade debts	**(138,568,829)**	(158,488,491)
Advances	**52,970**	20,310,878
Due from associated company	**(39,943)**	(127,538)
Short term deposits and prepayments	**(366,183)**	14,379,335
	(141,391,615)	(129,134,448)
Increase/(decrease) in current liabilities:		
Trade and other payables	**116,635,526**	151,911,928
	116,635,526	151,911,928
Cash generated from/(used in) operations	**7,598,324**	61,000,066
Financial cost paid	**(571,081)**	(5,295,859)
Tax paid	**(11,262,557)**	(39,960,812)
Gratuity paid	**(288,666)**	(582,300)
	(12,122,304)	(45,838,971)
Net cash generated from/ (used in) operating activities	**(4,523,980)**	15,161,095
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	**(664,500)**	(33,076,683)
Profit realized on bank accounts	**210,732**	-
Long term loan and advances	**(113,000)**	1,148,324
Short term investment	**60,079,000**	-
Net cash (used in)/ generated from investing activities	59,512,232	(31,928,359)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(20,625)**	(32,615,436)
Net cash used in financing activities	**(20,625)**	(32,615,436)
Net increase /(decrease) in cash and cash equivalents	**54,967,626**	(49,382,701)
Cash and cash equivalents at the beginning of the period	**48,677,491**	92,640,971
Cash and cash equivalents at the end of the period	**103,645,117**	43,258,270

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Issued, subscribed and paid up capital	Unappropriated profit	Total Shareholders' equity
	----------Rupees----------		
Balance as at July 01, 2015	65,826,000	201,693,271	267,519,271
Total comprehensive income for the period ended December 31, 2015	-	377,438	377,438
Distribution to owners:			
Final dividend June 2015 @ Rs. 5 per share	-	(32,913,000)	(32,913,000)
Balance as at December 31, 2015	65,826,000	169,157,709	234,983,709
Total comprehensive income for the period ended June 30, 2016	-	5,543,807	5,543,807
Balance as at July 01, 2016	65,826,000	174,701,516	240,527,516
Total comprehensive income for the period ended March 31, 2017	-	4,890,334	4,890,334
Balance as at March 31, 2017	65,826,000	179,591,850	245,417,850

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
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 Plot no. 294, Street no. 03, I-9/3, Industrial Area, 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 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 period ended March 31, 2017.

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

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 period ended March 31, 2017.

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 period ended March 31, 2017.

4 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2017 Rupees	June 30, 2016 Rupees
Opening net book value (NBV)	70,906,597	45,338,977
Additions during the period/ year	664,500	34,811,943
	71,571,096	80,150,920
Depreciation charged during the period/year	(7,999,991)	(9,244,323)
Closing net book value (NBV)	63,571,105	70,906,597

5 REVENUE/ COST OF SALES

Nine month ended March 31, 2017	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	303,693,212	-	303,693,212
Cost of sales			
Cost of material	(208,389,146)	-	(208,389,146)
Salaries, wages and benefits	(11,715,025)	-	(11,715,025)
Depreciation	(2,155,025)	-	(2,155,025)
Other expenses	(13,796,632)	-	(13,796,632)
	(236,055,828)	-	(236,055,828)
Result	67,637,385	-	67,637,385

Nine months ended March 31, 2016	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	573,925,224	2,659,500	576,584,724
Cost of sales			
Cost of material	(433,790,848)	(2,179,854)	(435,970,702)
Salaries, wages and benefits	(12,794,754)	(64,295)	(12,859,049)
Depreciation	(3,388,549)	(17,028)	(3,405,577)
Other expenses	(15,045,187)	(87,548)	(15,132,735)
	(465,019,337)	(2,348,725)	(467,368,062)
Result	108,905,886	310,775	109,216,661

Quarter ended March 31, 2017	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	251,206,861	-	251,206,861
Cost of sales			
Cost of material	(173,896,664)	-	(173,896,664)
Salaries, wages and benefits	(3,870,401)	-	(3,870,401)
Depreciation	(661,635)	-	(661,635)
Other expenses	(6,631,689)	-	(6,631,689)
	(185,060,389)	-	(185,060,389)
Result	66,146,472	-	66,146,473

Quarter ended March 31, 2016	Fabrication	Repairs & services	Total
	----------Rupees----------		
Revenue- net of tax	349,450,796	1,756,034	351,206,831
Cost of sales			
Cost of material	(268,695,014)	(1,350,226)	(270,045,240)
Salaries, wages and benefits	(4,697,636)	(23,606)	(4,721,242)
Depreciation	(1,721,688)	(8,652)	(1,730,340)
Other expenses	(4,369,206)	(21,956)	(4,391,162)
	(279,483,544)	(1,404,440)	(280,887,984)
Result	69,967,252	351,594	70,318,846

6 EARNING PER SHARE - BASIC AND DILUTED

	Quarter ended		Nine months ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----------Rupees----------			
Profit for the period after tax	34,079,654	17,205,205	4,890,334	17,582,643
Number of ordinary shares outstanding during the period	6,582,600	6,582,600	6,582,600	6,582,600
Earnings per share-Rupees	5.18	2.61	0.74	2.67

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 28th April, 2017 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

JAMAL AKBAR ANSARI
DIRECTOR