

ADOS PAKISTAN LIMITED
CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE
MONTHS ENDED
MARCH 31, 2019



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. Shoobarna Zia
Mr. Taha Akbar Ansari
Mr. Shehryar Akbar Ansari
Ms. Suboohi Ansari
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
Ms. Suboohi Ansari - Member

HUMAN RESOURCE COMMITTEE

Mrs. Uzma Jamal – Member & Chairperson
Mrs. Shoobarna Zia – Member & Secretary
Mr. Taha Akbar Ansari - Member
Mr. Shehryar 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

2nd Floor; F.J Plaza, Block 2, Collage Road
Markaz F-7, P.O. Box 1416, Islamabad -
Pakistan
TEL: +92-51-2651365 & +92-51-2651701,
FAX +92-51-2651368,

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.



DIRECTORS' REVIEW

The Board of Directors of Ados Pakistan Limited is pleased to announce the financial results for the quarter and nine months ended March 31, 2019.

A comparison of key financial results of your Company's performance for the nine months ended March 31, 2019 with the same period last year is as under:

Particulars	March 31 2019	March 31 2018
	----- (Rupees) -----	
Sales – net	29,839,497	77,346,885
Gross profit	2,795,574	4,420,187

Major reasons for decline in revenue as stated in earlier reports:

- i. Dumping by Chinese manufacturers, who have been selling finished products against competitive international tenders at prices less than the raw material cost quoted at London Metal Exchange (LME);
- ii. Protection to local industry was significantly diluted by Government of Pakistan reducing the import duty on finished products to only 10%. Given the fact that local industry is subjected to withholding of tax both at import of raw material and sale of finished goods, puts foreign overseas manufacturers at a significant advantage;
- iii. Cameron's purchase by Schlumberger and exit of multinational companies like British Petroleum, OMV, BHP, OPI and others reduced Cameron's interest in the local market and they have yet to renew their licensing arrangement with the Company;
- iv. Oil & Gas Development Company Limited's (OGDCL) malicious change of rules requiring local manufacturers to have twenty (20) years post specific API certificate experience, denied the Company of its full right to bid against OGDCL tenders. The Company has post API certification experience of 18 years;

As stated in earlier report, following are the measures taken by the Company to improve the operational performance, sales volume, cash flow and financial position:

- i. Sourcing for new customers to improve sales volume;
- ii. Considering diversification in business operations;
- iii. Continue focusing on cost reduction activities;
- iv. Got exemption from withholding of tax under section 159(1)/153 on payment for goods from the Federal Board of Revenue and are initiating the process for recovery of refundable income tax which is required to improve the cash flow position of the Company;
- v. Focusing on getting orders for Re-fabrication of equipment from E & P companies operating in Pakistan; and
- vi. Our negotiation for the renewal of License with Cameron (Now a Schlumberger Company) is under process while we have make arrangements with Chinese Company M/s. Kerui Petroleum, in order to compete with the Chinese competitors.

Based on these measures the management has strong and reasonable expectations that the company has adequate resources to continue its activity for the foreseeable future.

The management has decided not to pay dividend for the period ended March 31, 2019 keeping in view future cash flow requirements of the company.



The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the relentless efforts, dedicated services, teamwork, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and keep its growth abreast to face future challenges.

On behalf of the Board:

ZIA AKBAR ANSARI
CEO & DIRECTOR

Islamabad
April 30, 2019

ڈائریکٹرز کا جائزہ

اڈوس پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز نو ماہی مالیاتی گوشوارے اور تیسری سہ ماہی 31 مارچ 2019 کے مالی نتائج کا اعلان کر کے خوشی ہوئی۔

سابقہ سال کے اسی پیریڈ کا اس نو ماہی مالیاتی گوشوارے اور تیسری سہ ماہی 31 مارچ 2019 کے ساتھ کلیدی نتائج کا مقابلہ مندرجہ ذیل ہے:

تفصیل	31 مارچ 2019	31 مارچ 2018
خالص سیلز	29,839,497 روپے	77,346,885 روپے
کل منافع	2,795,574 روپے	4,420,187 روپے

سیلز میں کمی جیسا کہ پہلی رپورٹ میں ذکر کیا گیا کی اہم وجوہات مندرجہ ذیل ہیں:

- (۱) چینی صنعت کاروں کی جانب سے ڈمپنگ کرنا جو تیار شدہ مصنوعات کو مسابقتی انٹرنیشنل ٹینڈروں کے خام مال کی قیمت بحوالہ لندن میٹل ایکسچینج (ایل ایم ای) کی نسبت کم پر فروخت کر رہے ہیں۔
- (۲) حکومت پاکستان کی جانب سے تیار شدہ مصنوعات پر صرف 10 فیصد درآمدگی ڈیوٹی عائد کرتے ہوئے مقامی صنعت کے تحفظ کو کمزور کیا گیا۔ حقیقت میں مقامی صنعت کو خام مال اور اس کے تیار شدہ مال دونوں پر ودہولڈنگ ٹیکس کا سامنا ہے جس کا زیادہ فائدہ غیر ملکی صنعت کاروں کو پہنچتا ہے۔
- (۳) شلمبرجر کمپنی کی طرف سے کیمرون کمپنی کا خریدنا اور کثیر قومی کمپنیوں کا اخراج مثلاً برٹش پٹرولیم، او ایم وی، بی ایچ پی، او پی آئی اور دوسروں نے مقامی مارکیٹ میں کیمرون کے فائدے کو کم کیا اور ان کو ابھی تک کمپنی کے ساتھ لائسنس کے انتظام کا تجدید کرنا ہے۔
- (۴) او جی ڈی سی ایل کمپنی کی جانب سے بدینتی کے ساتھ قواعد میں تبدیلی جس کا مقصد مقامی صنعت کاروں سے گذشتہ بیس سال کا تجربہ بشکل اے پی آئی سٹوکیٹ مانگنا تھا جس نے ہماری کمپنی کو او جی ڈی سی ایل کے ٹینڈروں میں اپنی پیش کشیں داخل کرنے کے لئے پورا حق دینے سے انکار کیا۔ ہماری کمپنی کے پاس گذشتہ اٹھارہ سال کا تجربہ بشکل اے پی آئی سٹوکیٹ ہے۔

کمپنی نے اپنی مالی حالت، کیش فلو، سیلز کا حجم اور آپریشنل پرفارمنس کی بہتری کے لئے مندرجہ ذیل اقدامات کئے ہیں:

- (۱) اپنی سیلز کے حجم میں بہتری کے لئے نئے کسٹمرز کو تلاش کرنا۔
- (۲) کمپنی کی برنس کو متنوع شکل دینے کی کوشش کر رہے ہیں۔
- (۳) اپنے اخراجات کی لاگت میں کمی پر فوکس کا جاری رکھنا۔
- (۴) ایف بی آر سے زیر دفعہ 159(1)/153 اپنی مصنوعات پر ودہولڈنگ ٹیکس کی ادائیگی کے لئے استثناء حاصل کیا

اور ریفرنڈ اسٹیل انکم ٹیکس کی دستیابی کے لئے کارروائی شروع کر رہے ہیں جو کمپنی کے کیش فلو کی پوزیشن کو بہتر بنانے کے لئے ضروری ہوتا ہے۔ کمپنی کی بزنس کو متنوع شکل دینے کی کوشش کر رہے ہیں۔

(۵) پاکستان کے اندر استعمال ہونے والے سازوسامان کی دوبارہ تیاری کے لئے ای اینڈ پی کمپنیوں سے آڈر لینے کے لئے توجہ مرکوز کر رہے ہیں۔

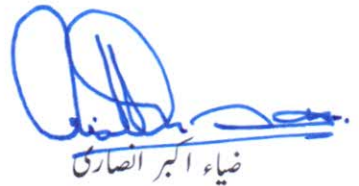
(۶) کیمرون کمپنی (اب شلمبرجر کمپنی) کے ساتھ لائسنس کی تجدید کے لئے بات چیت جاری ہے جبکہ ہم نے چینی مقابلہ کنندگان کا مقابلہ کرنے کے لئے ایک چینی کمپنی کیروئی پٹرولیم اریبنجنمنٹ کی ہے۔

ان اقدامات کی بدولت ادارے کو زیادہ قوی توقعات ہیں۔ کمپنی کے بہتر مستقبل کے لئے اپنی سرگرمیاں جاری رکھنے کے لئے اس کے پاس کافی وسائل موجود ہیں۔

مستقبل میں کیش فلو کی ضرورت کے مد نظر کمپنی کی منیجمنٹ نے تیسری سہ ماہی 31 مارچ 2019 پر منافع نہ ادا کرنے کا فیصلہ کیا ہے۔

ڈائریکٹرز کمپنی کے حصہ داران، مالی ادارہ جات اور کسٹمرز کے شکرگزار ہیں کہ ان نے کمپنی کے آپریشن کو جاری رکھا، اس کو سپورٹ کیا اور اس کی سرپرستی کی۔ ڈائریکٹرز تسلیم کرتے ہیں کہ کمپنی کے ملازمین نے بے حد کوشش کی، مخلصانہ کوشش کی، ٹیم ورک میں سخت محنت کی اور امید ہے کہ کمپنی کو مضبوط بنانے کے لئے ان کا مسلسل خلوص جاری رکھا جائے گا اور مستقبل کے چیلنجوں کا مقابلہ کرنے کے لئے کمپنی کی ترقی کے لئے جاری رکھیں گے۔

بورڈ کی طرف سے



ضیاء اکبر انصاری

چیف ایگزیکٹو آفیسر - ڈائریکٹر

اسلام آباد: 30 اپریل 2019

ADOS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019



	Note	UN-AUDITED MARCH 31 2019	AUDITED JUNE 30 2018
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	52,534,126	54,786,722
Intangible assets	5	1,600,763	-
Long term loans and advances		535,536	504,597
Long term deposits		400,000	400,000
Deferred taxation		-	-
		55,070,425	55,691,319
CURRENT ASSETS			
Stores, spares and loose tools		-	-
Stock in trade		54,506,649	55,481,700
Trade debts	6	26,235,612	23,935,363
Advances		14,089,882	4,469,438
Trade deposits and short term prepayments		2,817,041	2,384,034
Accrued interest on saving accounts		5,704	34,062
Tax refunds due from the Government		139,312,321	137,597,461
Cash and bank balances		2,370,590	12,560,051
		239,337,799	236,462,109
TOTAL ASSETS		294,408,224	292,153,428
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
7,000,000 (June 30, 2018: 7,000,000) ordinary shares of Rs. 10 each		70,000,000	70,000,000
Issued, subscribed and paid up share capital		65,826,000	65,826,000
RESERVES			
Revenue reserve-unappropriated profit		9,193,854	48,913,214
TOTAL EQUITY		75,019,854	114,739,214
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' benefit obligation		6,652,850	5,913,130
		6,652,850	5,913,130
CURRENT LIABILITIES			
Trade and other payables		120,675,234	97,334,045
Profit payable on short term borrowings		1,670,942	145,254
Due to associated company	7	43,507,204	36,228,947
Short term borrowings	8	41,085,590	32,000,000
Unclaimed dividend		5,796,550	5,792,838
		212,735,520	171,501,084
TOTAL LIABILITIES		219,388,370	177,414,214
TOTAL EQUITY AND LIABILITIES		294,408,224	292,153,428

CONTINGENCIES AND COMMITMENTS 10

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER

ADOS PAKISTAN LIMITED
 CONDENSED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019



	Note	Quarter ended		Nine months ended	
		March 31 2019	March 31 2018	March 31 2019	March 31 2018
-----Rupees-----					
Revenue - net		11,715,836	8,756,670	29,839,497	77,346,885
Cost of sales/services		(18,003,302)	(10,764,463)	(27,043,923)	(72,926,698)
Gross (loss) / profit		(6,287,466)	(2,007,793)	2,795,574	4,420,187
Administrative expenses		(24,647,201)	(12,687,910)	(33,634,316)	(36,858,920)
Selling and distribution cost	9	-	-	-	-
Other operating expenses		(7,998,115)	-	(7,998,115)	(4,075,935)
Other income		1,498,275	1,298,157	2,511,238	808,612
Loss from operations		(37,434,506)	(13,397,546)	(36,325,618)	(35,706,056)
Financial cost		(2,998,977)	(18,995)	(3,020,748)	(2,933,583)
Loss before income tax		(40,433,483)	(13,416,541)	(39,346,366)	(38,639,639)
Taxation		(146,448)	567,884	(372,994)	2,333,898
Loss for the period		(40,579,931)	(12,848,657)	(39,719,360)	(36,305,741)
Earning per share-basic and diluted	13	(6.16)	(1.95)	(6.03)	(5.52)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
 CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
 DIRECTOR

ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER

ADOS PAKISTAN LIMITED



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019

	Quarter ended		Nine months ended	
	March 31 2019	March 31 2018	March 31 2019	March 31 2018
	-----Rupees-----			
Loss for the period	(40,579,931)	(12,848,657)	(39,719,360)	(36,305,741)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(40,579,931)</u>	<u>(12,848,657)</u>	<u>(39,719,360)</u>	<u>(36,305,741)</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR

JAMAL AKBAR ANSARI
DIRECTOR

ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER


ADOS PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE NINE MONTHS ENDED MARCH 31, 2019




Note	MARCH 31 2019	MARCH 31 2018
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(39,346,366)	(38,639,639)
Adjustment for:		
Depreciation	6,144,984	6,897,698
Amortization	282,488	-
Provision for employees' benefit obligation	1,110,730	933,027
Interest on bank accounts	(112,505)	(565,712)
Financial cost	3,020,748	2,933,583
	<u>10,446,444</u>	<u>10,198,596</u>
Operating Loss Before Working Capital Changes	(28,899,922)	(28,441,043)
(Increase)/decrease in current assets		
Stores, spares and loose tools	-	-
Stock in trade	975,051	(1,843,540)
Trade debts	(2,300,249)	103,884,954
Advances	(9,620,444)	(6,056)
Trade deposits and short term prepayments	(433,007)	(2,248,809)
	<u>(11,378,649)</u>	<u>99,786,549</u>
Increase/(decrease) in current liabilities		
Trade and other payables	23,341,190	23,206,386
Profit payable on short term borrowings	1,525,688	(62,546)
Due to associated company	7,278,257	(1,900,769)
Unclaimed dividend	3,712	-
Short term borrowings	9,085,590	(70,000,000)
	<u>41,234,437</u>	<u>(48,756,929)</u>
Cash (used in)/generated from operations	955,866	22,588,577
Financial cost paid	(3,020,748)	(2,933,583)
Tax paid	(2,087,854)	(8,922,816)
Gratuity paid	(371,010)	(360,378)
	<u>(5,479,612)</u>	<u>(12,216,777)</u>
Net cash used in operating activities	(4,523,746)	10,371,800
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(3,892,389)	(945,121)
Addition in intangible asset	(1,883,250)	-
Profit realized on bank accounts	140,863	1,006,449
Long term loans and advances	(30,939)	(121,618)
Long term deposits	-	-
Net cash (used in)/generated from investing activities	(5,665,715)	(60,290)
Net decrease in cash and cash equivalents	(10,189,461)	10,311,510
Cash and cash equivalents at the beginning of the year	12,560,051	22,119,421
Cash and cash equivalents at the end of the period	2,370,590	32,430,931

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.


ZIA AKBAR ANSARI
 CHIEF EXECUTIVE & DIRECTOR


JAMAL AKBAR ANSARI
 DIRECTOR


ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Issued, subscribed and paid up capital	Revenue reserves	Shareholders' equity
		Unappropriated Profit/(loss) -----Rupees-----	
Balance as at July 01, 2017 (audited)	65,826,000	142,066,284	207,892,284
Total comprehensive loss for the period ended march 31, 2018			
Loss for the period	-	(26,886,595)	(26,886,595)
Other comprehensive income-net of tax	-	-	-
Balance as at March 31, 2018 (un-audited)	65,826,000	115,179,689	181,005,689
Balance as at July 01, 2018 (audited)	65,826,000	48,913,214	114,739,214
Total comprehensive loss for the period ended march 31, 2019			
Loss for the period	-	(39,719,360)	(39,719,360)
Other comprehensive income-net of tax:	-	-	-
Balance as at March 31, 2019 (un-audited)	65,826,000	9,193,854	75,019,854

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.



ZIA AKBAR ANSARI
CHIEF EXECUTIVE & DIRECTOR



JAMAL AKBAR ANSARI
DIRECTOR



ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER



1 LEGAL STATUS AND OPERATIONS

- 1.1** Ados Pakistan Limited (the "Company") was incorporated in Pakistan under the Companies Ordinance, 1984 on March 5, 1986 as a Private Limited Company and was later on converted into Public Limited Company on April 4, 1989. The Company's registered office is situated at 2nd Floor, FJ-Plaza, Block 2, College Road, Markaz F-7, Islamabad. The Company has factory located in Hattar at Plot # 43, Phase III, Hattar Industrial Estate, Khyber Pukhtoonkhwa. Its shares are quoted on Pakistan Stock Exchange (PSX). 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

- 2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of: International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2** This condensed interim financial information is unaudited and is being submitted to the shareholders in accordance with the requirements of Section 237 of the Companies Act 2017. This condensed interim financial information do not include all of the information required for annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018. Comparative condensed interim balance sheet is extracted from annual financial statements as of June 30, 2018, whereas comparative 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 are extracted from unaudited condensed interim financial information for the period ended March 31, 2018.

3 ACCOUNTING POLICIES & ESTIMATES

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Company for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue for contracts with customers" and IFRS 9 "Financial instruments". The revised accounting policy adapted by the management are as follows:

3.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 "Revenue from Contracts with Customers" supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless the contracts are in scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to the contracts with their customers. The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new standard.

3.2 IFRS 9 - Financial Instruments

IFRS-9 'Financial instruments' has replaced IAS 39 'Financial instruments: Recognition and Measurement' for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for Financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the securities and exchange commission of Pakistan (SECP). The Company's financial assets mainly include trade debts, loans and advances, long term loans, other ancillary deposits/receivables and bank balances held with commercial banks. The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking except credit loss (ELC) approach. Expected credit loss (ELC) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective

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interest.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using historical data and forward looking information. Based on such exercise, the Company has concluded that it is in compliance with the requirements of the new standard and that the impact of impairment on its financial assets (if any) is immaterial to this condensed interim unconsolidated financial

- 3.3** Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of an asset can be measured reliably. Cost of intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of an asset on a systematic basis applying the straight line method. Useful lives of all intangible assets are reviewed at each balance sheet date and adjusted if the impact of amortization is significant. Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

4 PROPERTY, PLANT AND EQUIPMENT	Note	Un-Audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Opening net book value (NBV)		54,786,722	60,541,561
Additions during the period/ year		507,061	3,802,650
Capital work in progress	4.1	3,385,328	-
Disposal during the period/ year		-	(169,120)
		<u>58,679,111</u>	<u>64,175,091</u>
Depreciation charged during the period/ year		<u>(6,144,984)</u>	<u>(9,388,369)</u>
		<u>(6,144,984)</u>	<u>(9,388,369)</u>
Closing net book value (NBV)		<u><u>52,534,126</u></u>	<u><u>54,786,722</u></u>

4.1 Capital work in progress

Capital work in progress includes head office renovation expenses and fabrication division expenses incurred for relocation of fabrication / armouring division to Hattar plant.

5 INTANGIBLE ASSETS	Note	Un-Audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Opening net book value (NBV)		-	-
Additions during the period/ year	5.1	1,883,250	-
Disposal during the period/ year		-	-
		<u>1,883,250</u>	<u>-</u>
Amortization charged during the period/ year		<u>(282,488)</u>	<u>-</u>
Closing net book value (NBV)		<u><u>1,600,763</u></u>	<u><u>-</u></u>
Amortization charged during the period/ year		20%	

- 5.1** The Company's intangible assets comprises of design packages for oil field equipments.

6 TRADE DEBTS - UNSECURED		Un-Audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Considered:			
- good		26,235,612	23,935,363
- doubtful		80,172,825	81,142,825
		<u>106,408,437</u>	<u>105,078,188</u>
Less: Provision for impairment in trade debts	6.1	<u>(80,172,825)</u>	<u>(81,142,825)</u>
Trade debts		<u><u>26,235,612</u></u>	<u><u>23,935,363</u></u>
6.1 Provision for impairment in trade debts			
Balance as at July 01		81,142,825	69,023,562
Reversal during the period/ year		(970,000)	-
Provision made during the period/ year		-	12,119,263
Less: Write off		-	-
Balance as at March 31/ June 30		<u><u>80,172,825</u></u>	<u><u>81,142,825</u></u>



7 DUE TO ASSOCIATED COMPANY

Akbar Associates (Private) Limited	7.1	43,507,204	36,228,947
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7.1 This represents amount payable to Akbar Associates (Private) Limited for expenditure paid on behalf of the Company.

8 SHORT TERM BORROWING

		Un-Audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Bank Islami Pakistan Limited	8.1	41,085,590	32,000,000

8.1 Short term borrowing represents karobar finance facility and import murabah which are available under profit arrangement. These facilities are secured by ownership of karobar finance goods and 1st parri passu 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%.

9 SELLING AND DISTRIBUTION 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. However, the Company has negotiated and got this arrangement suspended for this period, resultantly no marketing expenses are incurred during the period.

10 CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies as reported in the annual financial statement for the year ended June 30, 2018.

11 FAIR VALUE MEASUREMENT

The carrying values of assets and liabilities approximated their fair value. The company did not led any financial instrument measured at fair value using the valuation methods defined in IFRS 13.

12 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statement for the year ended June 30, 2018.

13 EARNING PER SHARE - BASIC AND DILUTED

	Nine months ended	
	31-Mar-19 Rupees	31-Mar-18 Rupees
Loss for the period after tax	(39,719,360)	(36,305,741)
Number of ordinary shares outstanding during the period	6,582,600	6,582,600
Earnings per share-Rupees	(6.03)	(5.52)

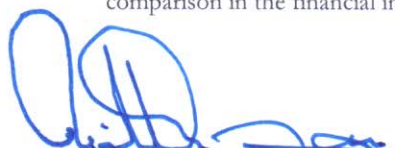
There is no dilutive effect on the earnings per share of the Company as the Company has no such commitments.


14 DATE OF AUTHORIZATION FOR ISSUE


This condensed interim financial information was authorized for issue on APRIL 30, 2019 by the Board of Directors of the Company.

15 GENERAL

- 15.1 Figures in this condensed interim financial information have been rounded off to the nearest rupee.
 15.2 The comparative figures have been re-arranged and/ or reclassified, wherever necessary, for the purpose of comparison in the financial information


ZIA AKBAR ANSARI
 CHIEF EXECUTIVE & DIRECTOR


JAMAL AKBAR ANSARI
 DIRECTOR


ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER