

**ADOS PAKISTAN LIMITED**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2020**



## **COMPANY INFORMATION**

### **CHIEF EXECUTIVE OFFICER**

Mr. Zia Akbar Ansari

### **DIRECTORS**

Mr. Zia Akbar Ansari  
Mr. Shehryar Akbar Ansari  
Mrs. Shoobarna Zia  
Mr. Asfandyar Akbar Ansari  
Ms. Aysha Masood  
Mrs. Aylin Ansari  
Mr. Bakhtiyar Akbar Ansari  
Ms. Saboohi 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. Aylin Ansari- Member  
Ms. Suboohi Ansari - Member

### **HUMAN RESOURCE COMMITTEE**

Mrs. Shoobarna Zia – Member & Chairperson  
Ms. Saboohi Ansari– Member & Secretary  
Ms. Aysha Masood- Member  
Mrs. Aylin 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, 1<sup>st</sup>  
Floor, G-253/A, Lquat Road, Rawalpindi.

## **REGISTERED OFFICE**

2<sup>nd</sup> Floor, FJ Plaza, Block 2, College Road,  
Markaz F-7, Islamabad.  
Tel # 92-51-2651365 & 92-51-2651701  
Fax # 92-51-2651702

## **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)**

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

## DIRECTORS' REVIEW REPORT TO THE MEMBERS

Gentlemen,

The Board of Directors of ADOS Pakistan Limited is pleased to announce the financial results for the half year ended December 31, 2020.

A comparison of key financial results of your Company's performance for the half year ended December 31, 2020 with the same period last year is as under:

Particulars	December 2020	December 2019
	----- (Rupees) -----	
Sales – net	12,149,457	42,907,446
Gross profit/(loss)	(2,575,841)	209,324
Loss for the period	(13,543,204)	(17,070,955)
Basic & diluted Earnings per share	(2.06)	(2.59)

1. The management wants to state that the loss for the half year ended December 31, 2020 amounting to Rs. 13,543,204 is due to weak turnover and the management is struggling hard to get orders from E&P companies operating in Pakistan to increase its sales.
2. As stated before, the Pakistani Oil & Gas industry experienced a recession like situation since 2017-18 due to recession in oil and gas industry worldwide. Our cost reduction activities have improved our ability to manage cash flows with reduced sales volumes. We have also faced dumping activities by foreign firms for supply contracts with state owned companies, ADOS Pakistan is also pursuing matters relating to enforcement of anti-dumping tools in order to protect local firms and ensure fair competition.
3. ADOS Pakistan still holds a significant market share with big E&P firms, however, due to the nation's current financial situation, aggravated due to COVID-19 pandemic; E&P firms have not been honoring payment terms, which leads many aged invoices. These delayed payments incur additional costs for ADOS and result in cash flow gaps. We have been working closely with all clients to ensure that current receivables are settled in order to reduce cash flow gaps.
4. Keeping in view of the losses for the validity of the going concern assumption is dependent upon the ability of the Company to generate sufficient cash flow from its operation as forecasted, the recovery of tax refundable from Government as well as the continuing financing support from the major shareholders (directors) to the Company to enable the Company to continue as a going concern. In financial year 2020-21 the management of the company has executed the plan to perform cost reduction activities, increasing sales from existing customers & addition of new customers, increasing revenue sources, focused on securing orders which have a low working capital requirement along with lower turnaround times. The exact details of said plans have been shared in the directors' report for financial year 2018-19. This plan has proven to be successful, as a result of which the Company has reduced its loss for the year by a substantial amount, despite the current COVID crisis and resulting Oil & Gas crisis being faced globally. However, the combination of the current COVID crisis and global oil crisis has led to a drastic reduction in the drilling activities being conducted in Pakistan. As ADOS manufacturer's products for Pakistan based E&Ps, the performance of the company directly correlates with the exploration



activity in the country. Furthermore, protections provided to local manufacturers have slowly been withdrawn, and foreign suppliers who receive export rebates up to 18% are dumping goods in Pakistan at the expense of the local industry. We have taken up the matter with the relevant authorities, and the future growth in sales of the company is dependent on external factors. Additionally, large clients such as ENI & Weatherford have announced their departure from the Pakistan market. This will have a negative impact on sales as well. The management is actively exploring opportunities to utilize the existing capability to service other industries/markets. The management is putting forth its best efforts in order to survive in these unforeseeable circumstances.

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 half year ended December 31, 2020 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  
March 1, 2021

## ڈائریکٹرز رپورٹ برائے ممبران

اڈوس پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کو نصف مالی سال جس کا خاتمہ مورخہ 31 دسمبر 2020 کے مالی نتائج کا اعلان کر کے خوشی ہوئی۔

سابقہ سال کے اسی پیریڈ کا اس نصف مالی سال خاتمہ مورخہ 31 دسمبر 2020 کے ساتھ کلیدی نتائج کا مقابلہ مندرجہ ذیل ہے:

تفصیل	دسمبر 2020	دسمبر 2019
خالص سیلز	روپے 12,149,457	روپے 42,907,446
مجموعی منافع / (نقصان)	روپے (2,575,841)	روپے 209,324
خالص نقصان	روپے (13,543,204)	روپے (17,070,955)
بنیادی اور مخفف آمدنی فی حصہ:	(2.06)	(2.59)

۱- انتظامیہ یہ بتانا چاہتی ہے کہ اس نصف مالی سال یعنی 31 دسمبر 2020 تک کے نقصانات جو کہ مبلغ 13,543,204 روپے کم سیلز کی وجہ سے ہیں۔ انتظامیہ موجودہ صلاحیتوں کو ای اینڈ پی کی خدمت کے لئے استعمال کرنے کے لئے سرگرمی سے تلاش کر رہی ہے۔ جس سے سیلز بہتر ہو۔

۲- جیسا پہلے بیان کیا گیا ہے پاکستان تیل اور گیس صنعت نے 2017-2018 سے خسارے کا تجربہ کر رہی ہے ہماری اخراجات میں کمی کی سرگرمیوں نے فروخت میں کم مقدار کے ساتھ نقد بہا کو منظم کرنے کی ہماری صلاحیت کو بہتر بنایا ہے۔ ہمیں سرکاری کمپنیوں کے ساتھ فراہمی کے معاہدوں کے لیے غیر ملکی فرم کی جانب سے ڈمپنگ سرگرمیوں کا سامنا کیا ہے۔ اڈوس پاکستان نے فیصلہ کیا ہے کہ وہ نیشنل ٹیریف کمیشن کے ساتھ مل کر شکایت کریں گے اینٹی ڈمپنگ آلات کے خلاف ایکشن لیں اور مقامی فرم کو برابر مقابلے کے لیے یقینی بنائے۔

۳- اڈوس پاکستان کے پاس ابھی بھی بڑی ای اور پی فرم کے ساتھ اہم حصص ہے قومی مالی حالات جو کہ COVID-19 عالمی وبا کی وجہ سے ادائیگی کی شرائط کا احترام نہیں کیا گیا جس میں ای اور پی فرم کی طرف سے بہت سی تاخیری رسیدیں ہیں۔ انہی تاخیری رسیدوں کی وجہ سے اڈوس کے کیش فلو میں خلاء آیا ہے ہم اپنے تمام گاہکوں کے ساتھ کام کر رہے ہیں تاکہ بقایا جات ادا ہوں اور ریکیش فلو کی خلاء کو کم کیا جائے۔

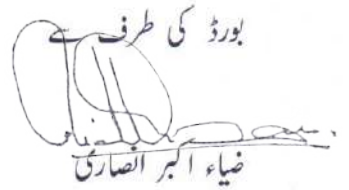
۴- کمپنی کے متوقع نقصانات کا تخمینہ ایک اندازے پر متعین کیا گیا ہے جس سے پتہ چلتا ہے کہ کمپنی کا کیش فلو کتنا متوقع ہے اور اس متوقع کیش فلو میں سے گورنمنٹ سے کتنے قابل واپسی ٹیکس کی وصولی ہوگی اور حصص یافتگان (ڈائریکٹرز) کی طرف سے کتنی مالی معاونت ہوگی، جس سے کمپنی کے معاملات چلائے جاسکتے ہیں۔ لاگت کم کرنے کیلئے اقدامات کرنے، موجودہ گاہک صاحبان کو فروخت بڑھانے، نئے گاہک بنانے، آمدن کے وسائل بڑھانے، اُن آرڈرز کو لینے پر توجہ مرکوز رکھنے، جن میں سرمایہ کم لگتا ہے اور جن کا ٹرن اراؤنڈ ٹائم بھی کم ہے، کی بابت مالی

سال 2020-21 میں کمپنی کی انتظامیہ نے ایک پلان تشکیل دیا۔ مذکورہ پلان کی اصل تفصیل ڈائریکٹرز کی رپورٹ برائے مالی سال 2018-19 میں دی جا چکی ہے۔ یہ پلان کامیاب ثابت ہوا جس کے نتیجے میں موجودہ COVID 19 اور تیل و گیس کے بحران جس نے پوری دنیا کو اپنی پلیٹ میں لیا ہوا ہے، کے باوجود بھی کمپنی کو سال میں خاطر خواہ کم نقصان ہوا تاہم، موجودہ کوویڈ 19 بحران اور عالمی سطح پر تیل کے بحران کے امتزاج کی وجہ سے پاکستان میں ہونے والی سوراخ کرنے والی سرگرمیوں میں زبردست کمی واقع ہوئی ہے۔ بطور ای ڈی او ایس کارخانہ دار کی مصنوعات پاکستان پر مبنی ای اینڈ پی ایس کے لئے، کمپنی کی کارکردگی براہ راست ملک میں تلاشی سرگرمی سے منسلک ہے۔ مزید برآں، مقامی مینوفیکچررز کو فراہم کی جانے والی حفاظت آہستہ آہستہ واپس لے لی گئی ہے، اور غیر ملکی سپلائرز جو 18 فیصد تک برآمد میں چھوٹ وصول کرتے ہیں وہ مقامی صنعت کی قیمت پر پاکستان میں سامان پھینک رہے ہیں۔ ہم نے یہ معاملہ متعلقہ حکام کے ساتھ اٹھایا ہے، اور کمپنی کی فروخت میں مستقبل میں اضافے کا انحصار بیرونی عوامل پر ہے۔ مزید برآں، ENI اور Weatherford جیسے بڑے مؤکلوں نے پاکستان مارکیٹ سے علیحدگی کا اعلان کیا ہے، اس کا فروخت پر بھی منفی اثر پڑے گا۔ انتظامیہ موجودہ صلاحیتوں کو دیگر صنعتوں/منڈیوں کی خدمت کے لئے استعمال کرنے کے لئے سرگرمی سے تلاش کر رہی ہے۔ انتظامیہ ان غیر متوقع حالات میں اپنی سرگرمیاں جاری رکھنے کے لئے اپنی بہترین کوششیں کر رہی ہے۔

ان اقدامات کی بدولت ادارے کو زیادہ قوی توقعات ہیں کہ 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 منیج منٹ نے نصف مالی سال 31 دسمبر 2020 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 ابر الصاری

چیف ایگزیکٹو آفیسر - ڈائریکٹر

اسلام آباد، مورخہ 01 مارچ، 2021



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**Grant Thornton Anjum Rahman**

302B, 3rd Floor Evacuee Trust  
Complex Age Khan Road F-5/1,  
Islamabad Pakistan

T: +92 51 2271906, 2274665  
F: +92 51 2273874  
www.gtpak.com

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ADOS Pakistan Limited  
Report on review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **ADOS Pakistan Limited** (the Company) as at **December 31, 2020** and related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months' period ended 31 December 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended 31 December 2020.

### 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 statements 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Material Uncertainty Related to Going Concern

We draw attention to note 1.2 which indicates that the Company has incurred substantial net loss after tax of Rs. 13,543,204 (December 2019: 17,070,955) during the period, resulting in accumulated losses of Rs. 59,985,879 (June 2020: 46,442,675) as at December 31, 2020, and as of that date the Company current liabilities exceeds to its current assets by Rs. 27,617,669. These conditions along with other matters as set forth in note indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

The engagement partner on this audit resulting in this independent auditor's review report is Waqas Waris.

  
GRANT THORNTON ANJUM RAHMAN

Chartered Accountant

Islamabad

Dated: March 01, 2021

**Chartered Accountants**

Member of Grant Thornton International Ltd.

Other offices in Lahore and Karachi

ADOS PAKISTAN LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2020



	Note	Unaudited	Audited
		Dec-20	Jun-20
-----Rupees-----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	36,649,830	39,327,195
Right of use asset	5	12,183,298	14,213,848
Intangible assets		1,220,346	1,355,940
Long term loans and advances		214,499	286,172
Long term deposits		400,000	400,000
		<u>50,667,973</u>	<u>55,583,155</u>
<b>CURRENT ASSETS</b>			
Stock in trade		57,092,244	57,294,108
Trade debts	6	8,947,521	11,261,654
Advances		1,270,935	577,119
Trade deposits and short term prepayments		511,855	2,682,621
Accrued interest on saving accounts		-	3,688
Tax refunds due from the Government	7	91,545,320	135,880,809
Cash and bank balances		987,673	1,697,333
		<u>160,355,548</u>	<u>209,397,332</u>
<b>TOTAL ASSETS</b>		<u><u>211,023,521</u></u>	<u><u>264,980,487</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Authorized share capital		70,000,000	70,000,000
7,000,000 (June 30, 2020: 7,000,000) ordinary shares of Rs. 10 each		<u>70,000,000</u>	<u>70,000,000</u>
Issued, subscribed and paid up share capital		65,826,000	65,826,000
Revenue reserve-unappropriated loss		(59,985,879)	(46,442,675)
		<u>5,840,121</u>	<u>19,383,325</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Employees' benefit obligation		6,667,191	6,077,674
Lease liability	8	10,542,992	12,245,985
		<u>17,210,183</u>	<u>18,323,659</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		47,209,952	43,125,707
Current portion of lease liability	8	3,739,732	3,459,824
Due to director	9	131,231,608	174,896,047
Unclaimed dividend		5,791,925	5,791,925
		<u>187,973,217</u>	<u>227,273,503</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>211,023,521</u></u>	<u><u>264,980,487</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR

Note	Quarter ended Dec-31,		Half year ended December 31,		
	2020	2019	2020	2019	
		-----Rupees-----		-----Rupees-----	
Revenue-net	246,360	19,396,126	12,149,457	42,907,446	
Cost of sales/services	(5,771,920)	(21,196,640)	(14,725,298)	(42,698,122)	
<b>Gross profit/(loss)</b>	<b>(5,525,560)</b>	<b>(1,800,514)</b>	<b>(2,575,841)</b>	<b>209,324</b>	
Administrative expenses	(9,768,616)	(14,444,041)	(19,170,998)	(20,179,119)	
Selling and distribution expenses	11	-	-	-	
Other operating expenses	-	(1,363,383)	-	(1,042,976)	
Other income	2,472,366	14,766,218	9,482,908	16,089,034	
	(7,296,250)	(1,041,206)	(9,688,090)	(5,133,061)	
<b>Loss from operations</b>	<b>(12,821,810)</b>	<b>(2,841,720)</b>	<b>(12,263,931)</b>	<b>(4,923,737)</b>	
Finance cost	(501,665)	(2,989,942)	(1,010,685)	(4,917,912)	
<b>Loss before income tax</b>	<b>(13,323,475)</b>	<b>(5,831,662)</b>	<b>(13,274,616)</b>	<b>(9,841,649)</b>	
Taxation	(90,042)	(6,876,636)	(268,588)	(7,229,306)	
<b>Loss for the period</b>	<b>(13,413,517)</b>	<b>(12,708,298)</b>	<b>(13,543,204)</b>	<b>(17,070,955)</b>	
<b>Loss per share - basic and diluted</b>	<b>13</b>	<b>(2.04)</b>	<b>(1.93)</b>	<b>(2.06)</b>	
				<b>(2.59)</b>	

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE



DIRECTOR



	Quarter ended December 31,		Half year ended December 31,	
	2020	2019	2020	2019
	-----Rupees-----		-----Rupees-----	
Loss for the period	(13,413,517)	(12,708,298)	(13,543,204)	(17,070,955)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(13,413,517)</u>	<u>(12,708,298)</u>	<u>(13,543,204)</u>	<u>(17,070,955)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

  
\_\_\_\_\_  
CHIEF EXECUTIVE


  
\_\_\_\_\_  
DIRECTOR

ADOS PAKISTAN LIMITED  
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020



	2020	2019
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
loss before income tax	(13,274,616)	(9,841,649)
Adjustment for:		
Depreciation	4,842,915	5,437,441
Amortization	135,594	169,492
Loss allowance	-	547,500
Provision for employees' benefit obligation	634,690	871,019
Reversal of loss allowance	(4,733,229)	-
Interest income on banks	-	(23,387)
Interest on lease liability	969,415	1,128,833
Financial cost	-	3,789,079
loss on disposal of property, plant and equipment	-	(1,311,245)
	1,849,385	10,608,732
<b>Operating loss before working capital changes</b>	(11,425,231)	767,083
<b>(Increase)/decrease in current assets</b>		
Stock in trade	201,864	17,760,128
Trade debts	7,047,362	(10,627,427)
Advances	(693,816)	675,911
Trade deposits and short term prepayments	2,170,766	(4,799,857)
	8,726,176	3,008,755
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	4,084,245	(67,674,069)
Profit payable on short term borrowings	-	(903,274)
Due to director	(43,664,439)	132,239,961
Unclaimed dividend	-	4,763
Short term borrowings	-	(61,151,833)
	(39,580,194)	2,515,548
<b>Cash (used in) / generated from operations</b>	(42,279,249)	6,291,386
Profit paid on short term borrowings	-	(3,789,079)
Interest paid on lease liability	(969,415)	1,128,833
Tax refunds recovered from the Government	45,041,622	-
Tax withheld during the period	(974,721)	(2,032,102)
Profit realized on bank accounts	3,688	23,536
Long term loans and advances	71,673	65,000
Employees benefit obligations paid	(45,173)	-
	43,127,674	(4,603,812)
<b>Net cash generated from operating activities</b>	848,425	1,687,574
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(135,000)	(180,102)
Sale proceeds from disposal of property, plant and equipment	-	1,410,000
<b>Net cash (used in) / generated from investing activities</b>	(135,000)	1,229,898
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability	(1,423,085)	-
<b>Net cash used in financing activities</b>	(1,423,085)	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	(709,660)	2,917,472
Cash and cash equivalents at the beginning of the period	1,697,333	1,561,811
<b>Cash and cash equivalents at the end of the period</b>	987,673	4,479,283

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

  
DIRECTOR



	Issued, subscribed and paid up share capital	Revenue reserves Unappropriated Loss	Total
	-----Rupees-----		
Balance as at July 01, 2019 (Audited)	65,826,000	(19,139,623)	46,686,377
Total comprehensive income for the period:			
Loss for the six month period ended December 31, 2019	-	(17,070,955)	(17,070,955)
Other comprehensive income for the period - net of tax	-	-	-
Balance as at December 31, 2019 (Un-audited)	65,826,000	(36,210,578)	29,615,422
<b>Balance as at July 01, 2020 (Audited)</b>	<b>65,826,000</b>	<b>(46,442,675)</b>	<b>19,383,325</b>
Total comprehensive income for the period:			
Loss for the six month period ended December 31, 2020	-	(13,543,204)	(13,543,204)
Other comprehensive income for the period - net of tax	-	-	-
Balance as at December 31, 2020 (Un-audited)	65,826,000	(59,985,879)	5,840,121

The annexed notes 1 to 16 form an integral part of these condensed interim financial information.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

DIRECTOR



## 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 geographical location of factory of the Company is 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, service for fabrication and refurbishment of equipment and supply of spare parts used in oil and gas industry. The Company is also engaged in fabrication of vehicles in respect of bullet proofing protection.
- 1.2 The Company incurred substantial net loss after tax of Rs. 13,543,204 (December 2019: Rs. 17,070,955) resulting in total accumulated losses of Rs. 59,985,879 (June 2020: Rs. 46,442,675) and current liabilities exceeded current assets by Rs. 27,617,669 at the period-end due to weak turnover and profitability. These conditions indicate the existence of material uncertainty which may cast significant doubt on the ability of the Company to continue as going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The validity of the going concern assumption is dependent upon the ability of the Company to generate sufficient cash flow from its operation as forecasted, the recovery of tax refundable from Government as well as the continuing financing support from the major shareholders (directors) to the Company to enable the Company to continue as a going concern. Further, in current financial year, management has executed the plans to perform cost reduction activities, increasing sales from existing customers and addition of new customers, increasing revenue sources, focused on securing orders which have a low working capital requirement along with lower turnaround times. This plan has proven to be successful, as a result of which the Company has reduced its loss for the year by a substantial amount, despite the current COVID - 19 crisis and resulting Oil & Gas crisis being faced globally. Based on the success of this plan, management will continue on the same path, with continual corrections and improvements based on the dynamic real world situation. In addition, a plan to improve the Company's liquidity is underway, and management expects positive results in the upcoming financial year. The management is confident in the Company's ability to meet its obligations, and is putting forward our best efforts to strive towards profitability regardless of external market shocks. Further management through following measures intends to improve the Company's operational performance, cash flow and financial position: (i) Reaching the finalization process for recovery of refundable income tax from Government; (ii) Taking steps for recovery of long outstanding receivables and have been able to recover some of them subsequently; (iii) Continue focusing on cost reduction activities, including reduction of personnel costs and general administrative expenses; (iv) Focusing orders for Re-fabrication of equipment from E & P companies operating in Pakistan; and (v) Improving relationship with customers and providing more competitive prices.

Based on the measures described above and the commitment of Directors, management has a reasonable expectation that the Company has adequate resources to continue its activity for the foreseeable future.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

These condensed interim financial information 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.

These condensed interim financial information are un-audited and are being submitted to the members in accordance with the requirements of Section 237 of the Companies Act 2017 (the Act) and the listing regulation of Pakistan Stock Exchange. These 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, 2020. Comparative statement of financial position is extracted from annual audited financial statements as of June 30, 2020, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information for the six month period ended December 31, 2019.



**ADOS PAKISTAN LIMITED**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

**2.2 Changes in accounting standards, interpretations and pronouncements**

(a) Standards and amendments to approved accounting and reporting standards that are effective:

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial accounting.

(b) Standards and amendments to approved accounting and reporting standards that are not yet effective:

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2021. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

**3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies, related judgments, estimates and assumptions adopted for the preparation of these 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, 2020.

**4 PROPERTY, PLANT AND EQUIPMENT**

Opening net book value

Additions during the period/ year

Disposal during the period/ year

-Cost

-Depreciation

Depreciation charged during the period / year

**Closing net book value**

**5 RIGHT OF USE ASSET**

Balance at beginning of the period/year

Right of use asset recognized on adoption of IFRS 16

Depreciation charged during the period / year

Closing net book value

**6 TRADE DEBTS - UNSECURED**

**Considered:**

- good

- doubtful

Less: loss allowance

6.1

**Trade debts**

**6.1 Loss allowance**

Balance as at July 01

Allowance made during the period / year

Less: Reversal made during the period / year

**Balance at the end of the period / year**

**7 TAX REFUNDS DUE FROM THE GOVERNMENT**

Opening balance

Tax paid/deducted at source during the period/ year

Refunds received during the period/year

Less: provision for taxation

**Advance tax - net of provision**

Sales tax refunds

**Tax refundable**

	Unaudited December 31, 2020	Audited June 30, 2020
	-----Rupees-----	
	39,327,195	46,026,125
	135,000	180,102
	-	(330,750)
	-	173,264
	-	(157,486)
	(2,812,365)	(6,721,546)
	<b>36,649,830</b>	<b>39,327,195</b>
	14,213,848	-
	-	18,274,947
	(2,030,550)	(4,061,099)
	<b>12,183,298</b>	<b>14,213,848</b>
	8,947,521	11,261,654
	75,439,595	80,172,824
	84,387,116	91,434,478
	(75,439,595)	(80,172,824)
	<b>8,947,521</b>	<b>11,261,654</b>
	80,172,824	80,172,824
	-	-
	(4,733,229)	-
	<b>75,439,595</b>	<b>80,172,824</b>
	135,880,809	138,472,299
	829,497	5,209,877
	(45,041,622)	-
	(268,588)	(7,801,367)
	<b>91,400,096</b>	<b>135,880,809</b>
	145,224	-
	<b>91,545,320</b>	<b>135,880,809</b>



	Note	Unaudited	Audited
		December 31, 2020	June 30, 2020
		-----Rupees-----	
<b>8 LEASE LIABILITY</b>			
Balance at beginning of the period/year		15,705,809	-
Impact of initial application of IFRS 16		-	18,274,947
Interest accrued		969,415	2,215,862
Payment during the period/year		(2,392,500)	(4,785,000)
		<u>14,282,724</u>	<u>15,705,809</u>
Current portion grouped under current liabilities		<u>(3,739,732)</u>	<u>(3,459,824)</u>
Balance at the end of the period/year-non current		<u>10,542,992</u>	<u>12,245,985</u>
<b>9 DUE TO DIRECTOR</b>			
Due to director	9.1	<u>131,231,608</u>	<u>174,896,047</u>
		<u>131,231,608</u>	<u>174,896,047</u>

9.1 This is unsecured, interest free and payable on demand.

**10 CONTINGENCIES AND COMMITMENTS**

There are no significant changes in the status of contingencies and commitments as reported in the audited annual financial statements of the Company for the year ended June 30, 2020.

**11 SELLING AND DISTRIBUTION EXPENSES**

Marketing expenses are being paid to Akbar Associates (Private) Limited, @ 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.

**12 RELATED PARTY TRANSACTIONS**

Related parties comprise directors, key management personnel, major share holders and entities over which directors are able to exercise significant influence. Transactions with related parties other than those which have been disclosed in relevant notes to the accounts are disclosed as follows:

	Six month period ended	
	December 31, 2020	December 31, 2019
		-----Rupees-----
<b>Transactions with associates- Akbar Associates (Pvt) Ltd</b>		
Related party by virtue of common directorship till the change in Board composition on November 20, 2019.		
Expense paid on behalf of the Company by Akbar Associates (Pvt)	-	433,050
Bank receipts on behalf of chief executive officer	-	65,806,449
<b>Transactions with Director (CEO)</b>		
Expenses paid on behalf of the Company	6,132,995	8,000,000
Expenses paid on behalf of CEO by Company	2,800,865	-
Fund transferred to the Company by CEO	574,685	-
Repayment of loan to CEO by the Company	47,571,254	1,856,754
<b>Transactions with key management personnel</b>		
Key management personnel remuneration includes the following expenses:		
<b>Short-term employee benefits</b>		
Remuneration to chief executive, executive directors and other executives	7,647,680	7,154,439



**ADOS PAKISTAN LIMITED**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020**

**Other benefits**

In addition to the above, the chief executive and two executive directors have been provided with Company maintained vehicles and all other benefits and perquisites which are available to senior executives. Further, chief executive has also provided additional benefits of utilities, medical, travelling and fuel during the period. Certain executives are also provided with the Company maintained cars. No payment has been made to non executive directors during the period.

**13 EARNING PER SHARE - BASIC AND DILUTED**

Loss for the period after tax  
Number of ordinary shares outstanding during the period  
**Loss per share**

	Six month period ended	
	December 31, 2020	December 31, 2019
	-----Rupees-----	
	(13,543,204)	(17,070,955)
	6,582,600	6,582,600
	<b>(2.06)</b>	<b>(2.59)</b>

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

**14 IMPACT OF COVID-19**

A novel strain of corona virus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. Due to this, management has assessed the accounting implications of these developments on these condensed interim financial information, however, according to management's assessment, there is no significant impact of the effects of COVID-19 on these condensed interim financial information.

**15 GENERAL**

Amounts have been rounded to the nearest rupee unless otherwise stated.

**16 Date of authorization for issue**

These condensed interim financial information have been authorized for issue by the Board of Directors of the Company in its meeting held on March 01 \_\_\_\_\_, 2021.

  
\_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

  
\_\_\_\_\_  
**CHIEF EXECUTIVE**

  
\_\_\_\_\_  
**DIRECTOR**