

ADOS PAKISTAN LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE
MONTHS ENDED
MARCH 31, 2021**



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, 1st
Floor, G-253/A, Lquat Road, Rawalpindi.

REGISTERED OFFICE

2nd 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 quarter and nine months ended March 31, 2021.

A comparison of key financial results of your Company's performance for the nine months ended March 31, 2021 with the same period last year is as under:

Particulars	March 31, 2021	March 31, 2020
	----- (Rupees) -----	
Sales – net	12,499,457	53,039,150
Gross profit	(8,468,889)	2,263,324
Loss for the period	(26,141,534)	(24,281,353)
Basic & diluted Earnings per share	(3.97)	(3.69)

1. The management wants to state that the loss for the nine months ended March 31, 2021 amounting to Rs. 26,141,534 is due to weak turnover and low profitability.
2. As stated earlier, the Pakistani Oil & Gas industry experienced a recession like situation since 2017-18 due to recession in oil and gas industry worldwide. 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. As stated earlier 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 lead 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. 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 nine months ended March 31, 2021 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, 2021

ڈائریکٹرز رپورٹ برائے ممبران

اڈوس پاکستان لمیٹڈ کے بورڈ آف ڈائریکٹرز کو نو ماہی مالیاتی گوشوارے اور تیسری سہ ماہی جس کا خاتمہ مورخہ 31 مارچ 2021 کے مالی نتائج کا اعلان کر کے خوشی ہوئی۔

سابقہ سال کے اسی پیریڈ کا اس نو ماہی مالیاتی سال خاتمہ مورخہ 31 مارچ 2021 کے ساتھ کلیدی نتائج کا

مقابلہ مندرجہ ذیل ہے:

31 مارچ 2020	31 مارچ 2021	تفصیل
53,039,150 روپے	12,499,457 روپے	خالص سیلز
2,263,324 روپے	(8,468,889) روپے	مجموعی منافع/(نقصان)
(24,281,353) روپے	(26,141,534) روپے	خالص نقصان
(3.69)	(3.97)	بنیادی اور مخفف آمدنی فی حصہ:

۱- انتظامیہ یہ بتانا چاہتی ہے کہ اس نو ماہی مالیاتی سال یعنی 31 مارچ 2021 کے نقصانات جو کہ مبلغ 26,141,534 روپے کم سیلز کی وجہ سے ہیں۔

۲- جیسا پہلے بیان کیا گیا ہے پاکستان تیل اور گیس صنعت نے 2017-2018 سے خسارے کا تجربہ کر رہی۔ 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۔

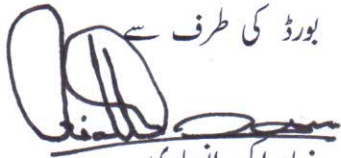
۳- جیسا پہلے بیان کیا گیا ہے اڈوس پاکستان کے پاس ابھی بھی بڑی ای اور پی فرم کے ساتھ اہم حصص ہے قومی مالی حالات جو کہ COVID-19 عالمی وبا کی وجہ سے ادائیگی کی شرائط کا احترام نہیں کیا گیا جس میں ای اور پی فرم کی طرف سے بہت سی تاخیری رسیدیں ہیں۔ انہی تاخیری رسیدوں کی وجہ سے اڈوس کے کیش فلو میں خلاء آیا ہے ہم اپنے تمام گاہکوں کے ساتھ کام کر رہے ہیں تاکہ بقایا جات ادا ہوں اور رکیش 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، ان 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۔ 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 میٹج منٹ نے نو ماہی مالیاتی سال 31 مارچ 2021 پر منافع نہ اداء 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، مورخہ 30 اپریل، 2021

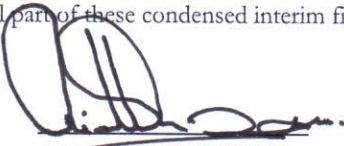
ADOS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

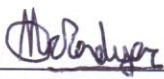


	Note	Unaudited	Audited
		Mar-21	Jun-20
-----Rupees-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	35,240,995	39,327,195
Right of use asset	5	11,821,348	14,213,848
Intangible assets		1,152,549	1,355,940
Long term loans and advances		43,999	286,172
Long term deposits		400,000	400,000
		<u>48,658,891</u>	<u>55,583,155</u>
CURRENT ASSETS			
Stock in trade		57,092,244	57,294,108
Trade debts	6	409,500	11,261,654
Advances		1,272,435	577,119
Trade deposits and short term prepayments		1,680,289	2,682,621
Accrued interest on saving accounts		-	3,688
Tax refunds due from the Government	7	92,033,390	135,880,809
Cash and bank balances		548,994	1,697,333
		<u>153,036,852</u>	<u>209,397,332</u>
TOTAL ASSETS		<u><u>201,695,743</u></u>	<u><u>264,980,487</u></u>
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
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		(72,584,209)	(46,442,675)
		<u>(6,758,209)</u>	<u>19,383,325</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' benefit obligation		6,840,037	6,077,674
Lease liability	8	7,603,463	12,245,985
		<u>14,443,500</u>	<u>18,323,659</u>
CURRENT LIABILITIES			
Trade and other payables		44,400,365	43,125,707
Current portion of lease liability	8	3,739,732	3,459,824
Due to director	9	140,078,430	174,896,047
Unclaimed dividend		5,791,925	5,791,925
		<u>194,010,452</u>	<u>227,273,503</u>
TOTAL EQUITY AND LIABILITIES		<u><u>201,695,743</u></u>	<u><u>264,980,487</u></u>
CONTINGENCIES AND COMMITMENTS			
	10		

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


ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER


ZIA AKBAR ANSARI
CHIEF EXECUTIVE



ASFANDYAR AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
 FOR THE NINE MONTH ENDED MARCH 31, 2021

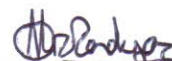


Note	Three month ended March 31,		Nine month ended March 31,		
	2021	2020	2021	2020	
		-----Rupees-----		-----Rupees-----	
Revenue-net	350,000	10,131,704	12,499,457	53,039,150	
Cost of sales/services	(6,243,048)	(8,077,704)	(20,968,346)	(50,775,826)	
Gross profit/ (loss)	(5,893,048)	2,054,000	(8,468,889)	2,263,324	
Administrative expenses	(7,902,583)	(9,954,620)	(27,073,581)	(30,133,739)	
Selling and distribution expenses	11 -	-	-	-	
Other operating expenses	-	(547,958)	-	(1,590,934)	
Other income	1,551,318	1,928,351	11,034,226	18,017,385	
	(6,351,265)	(8,574,227)	(16,039,355)	(13,707,288)	
Loss from operations	(12,244,313)	(6,520,227)	(24,508,244)	(11,443,964)	
Finance cost	(435,113)	(563,525)	(1,445,798)	(5,481,437)	
Loss before income tax	(12,679,426)	(7,083,752)	(25,954,042)	(16,925,401)	
Taxation	81,096	(126,646)	(187,492)	(7,355,952)	
Loss for the period	(12,598,330)	(7,210,398)	(26,141,534)	(24,281,353)	
Loss per share - basic and diluted	12 (1.91)	(1.10)	(3.97)	(3.69)	

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


 ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER


 ZIA AKBAR ANSARI
 CHIEF EXECUTIVE



 ASFANDYAR AKBAR ANSARI
 DIRECTOR

ADOS PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE NINE MONTH ENDED MARCH 31, 2021



	Three month ended March 31,		Nine month ended March 31,	
	2021	2020	2021	2020
	-----Rupees-----		-----Rupees-----	
Loss for the period	(12,598,330)	(7,210,398)	(26,141,534)	(24,281,353)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(12,598,330)</u>	<u>(7,210,398)</u>	<u>(26,141,534)</u>	<u>(24,281,353)</u>

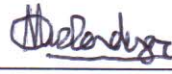
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 ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER



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 CHIEF EXECUTIVE



 ASFANDYAR AKBAR ANSARI
 DIRECTOR

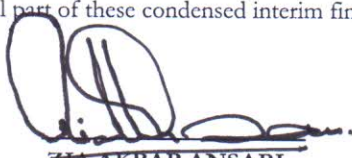
ADOS PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTH ENDED MARCH 31, 2021

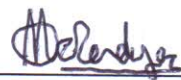


	2021	2020
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
loss before income tax	(25,954,042)	(16,925,401)
Adjustment for:		
Depreciation	6,613,700	8,122,765
Amortization	203,391	254,238
Loss allowance	-	547,500
Provision for employees' benefit obligation	952,036	1,161,359
Reversal of loss allowance	(4,733,229)	-
Interest income on banks	-	(38,808)
Interest on lease liability	1,379,386	1,648,342
Financial cost	-	3,833,095
Loss on disposal of property, plant and equipment	-	(1,311,245)
	4,415,284	14,217,246
Operating loss before working capital changes	(21,538,758)	(2,708,155)
(Increase)/decrease in current assets		
Stock in trade	201,864	12,184,613
Trade debts	15,585,383	5,980,000
Advances	(695,316)	(798,463)
Trade deposits and short term prepayments	1,002,332	(494,069)
	16,094,263	16,872,081
Increase/(decrease) in current liabilities		
Trade and other payables	1,274,658	(64,453,383)
Profit payable on short term borrowings	-	(903,274)
Due to associated company	-	(48,025,468)
Due to director	(34,817,617)	174,411,159
Unclaimed dividend	-	4,763
Short term borrowings	-	(61,151,833)
	(33,542,959)	(118,036)
Cash (used in) / generated from operations	(38,987,454)	14,045,890
Profit paid on short term borrowings	-	(3,223,771)
Interest paid on lease liability	(1,379,386)	(1,128,833)
Tax refunds recovered from the Government	45,041,622	-
Tax withheld during the period	(1,381,695)	(4,055,060)
Profit realized on bank accounts	3,688	38,812
Long term loans and advances	242,173	(20,000)
Employees benefit obligations paid	(189,673)	-
	42,336,729	(8,388,852)
Net cash generated from operating activities	3,349,275	5,657,038
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(135,000)	(180,102)
Sale proceeds from disposal of property, plant and equipment	-	1,410,000
Net cash (used in) / generated from investing activities	(135,000)	1,229,898
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(4,362,614)	(4,265,491)
Net cash used in financing activities	(4,362,614)	(4,265,491)
Net increase / (decrease) in cash and cash equivalents	(1,148,339)	2,621,445
Cash and cash equivalents at the beginning of the period	1,697,333	1,561,811
Cash and cash equivalents at the end of the period	548,994	4,183,256

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


ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER


ZIA AKBAR ANSARI
CHIEF EXECUTIVE



ASFANDYAR AKBAR ANSARI
DIRECTOR

ADOS PAKISTAN LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 FOR THE NINE MONTH ENDED MARCH 31, 2021



	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 nine month period ended March 31, 2020	-	(24,281,353)	(24,281,353)
Other comprehensive income for the period - net of tax	-	-	-
Balance as at March 31, 2020 (Un-audited)	<u>65,826,000</u>	<u>(43,420,976)</u>	<u>22,405,024</u>
Balance as at July 01, 2020 (Audited)	65,826,000	(46,442,675)	19,383,325
Total comprehensive income for the period:			
Loss for the nine month period ended March 31, 2021	-	(26,141,534)	(26,141,534)
Other comprehensive income for the period - net of tax	-	-	-
Balance as at March 31, 2021 (Un-audited)	<u>65,826,000</u>	<u>(72,584,209)</u>	<u>(6,758,209)</u>

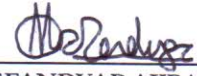
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 ALI IMRAN HAIDER BOKHARI
 CHIEF FINANCIAL OFFICER



 ZIA AKBAR ANSARI
 CHIEF EXECUTIVE



 ASFANDYAR AKBAR ANSARI
 DIRECTOR



ADOS PAKISTAN LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED] FOR THE NINE MONTH ENDED MARCH 31, 2021

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. 26,141,534 (March 2020: Rs. 24,281,353) resulting in total accumulated losses of Rs. 72,584,209 (June 2020: Rs. 46,442,675) and current liabilities exceeded current assets by Rs. 40,973,600 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.



ADOS PAKISTAN LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 2021**

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 nine month period ended March 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

	Unaudited March 31, 2021	Audited June 30, 2020
-----Rupees-----		
	39,327,195	46,026,125
	135,000	180,102
	-	(330,750)
	-	173,264
	-	(157,486)
	(4,221,200)	(6,721,546)
	35,240,995	39,327,195

5 RIGHT OF USE ASSET

Balance at beginning of the period/year
Right of use asset recognized on adoption of IFRS 16
Adjustments made during the period / year
Depreciation charged during the period / year
Closing net book value

	14,213,848	-
	-	18,274,947
	361,950	-
	(2,754,450)	(4,061,099)
	11,821,348	14,213,848

6 TRADE DEBTS - UNSECURED

Considered:

- good
- doubtful

	409,500	11,261,654
	75,439,595	80,172,824
	75,849,095	91,434,478

Less: loss allowance

6.1

	(75,439,595)	(80,172,824)
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Trade debts

	409,500	11,261,654
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ADOS PAKISTAN LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 2021**

	Unaudited March 31, 2021	Audited June 30, 2020
	-----Rupees-----	
6.1 Loss allowance		
Balance as at July 01	80,172,824	80,172,824
Allowance made during the period / year	-	-
Less: Reversal made during the period / year	(4,733,229)	-
Balance at the end of the period / year	75,439,595	80,172,824
7 TAX REFUNDS DUE FROM THE GOVERNMENT		
Opening balance	135,880,809	138,472,299
Tax paid/deducted at source during the period/ year	1,210,110	5,209,877
Refunds received during the period/year	(45,041,622)	-
Less: provision for taxation	(187,492)	(7,801,367)
Advance tax - net of provision	91,861,805	135,880,809
Sales tax refunds	171,585	-
Tax refundable	92,033,390	135,880,809
8 LEASE LIABILITY		
Balance at beginning of the period/year	15,705,809	-
Impact of initial application of IFRS 16	-	18,274,947
Interest accrued	1,379,386	2,215,862
Payment during the period/year	(5,742,000)	(4,785,000)
	11,343,195	15,705,809
Current portion grouped under current liabilities	(3,739,732)	(3,459,824)
Balance at the end of the period/year-non current	7,603,463	12,245,985
9 DUE TO DIRECTOR		
Due to director	9.1 140,078,430	174,896,047
	140,078,430	174,896,047

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 EARNING PER SHARE - BASIC AND DILUTED

	-----Unaudited----- Nine month period ended	
	March 31, 2021	March 31, 2020
	-----Rupees-----	
Loss for the period after tax	(26,141,534)	(24,281,353)
Number of ordinary shares outstanding during the period	6,582,600	6,582,600
Loss per share	(3.97)	(3.69)

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

ADOS PAKISTAN LIMITED

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE NINE MONTH ENDED MARCH 31, 2021**

13 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.

14 GENERAL

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

14.2 The Comparative figures have been re-arranged and/ or reclassified, wherever necessary, for the purpose of comparison in the financial information.

15 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 April 30, 2021.



ALI IMRAN HAIDER BOKHARI
CHIEF FINANCIAL OFFICER



ZIA AKBAR ANSARI
CHIEF EXECUTIVE



ASFANDYAR AKBAR ANSARI
DIRECTOR