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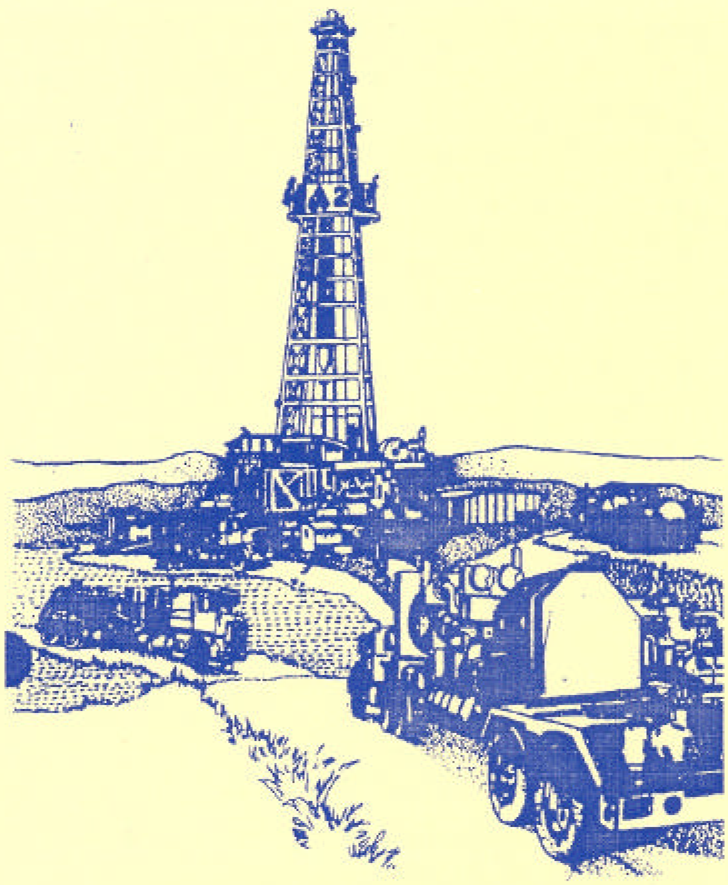
ADOS PAKISTAN LIMITED

ANNUAL REPORT JUNE 30, 2009



COMPANY INFORMATION

CHIEF EXECUTIVE OFFICER	Mr. Zia Akbar Ansari
DIRECTORS	Mrs. Razia Akbar Ansari Mr. Jamal Akbar Ansari Ms. Suboohi Ansari Ms. Sabina Ansari Mrs. Uzma Jamal Mrs. Shoobarana Zia Mr. Sheikh Usman Ahmed
COMPANY SECRETARY	Ms. Sabina Ansari
CHIEF FINANCIAL OFFICER	Mr. Ali Imran Haider Bokhari
AUDIT COMMITTEE	Mr. Jamal Akbar Ansari- Chairman Mrs. Shoobarana Zia- Member Ms. Suboohi Ansari- Member/Secretary
AUDITORS	Anjum Asim Shahid Rehman Chartered Accountants
BANKERS	Citi Bank , F-11 Markaz, Islamabad Dubai Islamic Bank Pakistan Limited, Roshan Center, Plot 78-W, Jinnah Avenue, Blue Area, Islamabad. NIB Bank Limited (Formerly PICIC Commercial Bank Limited, Razia Sharif Plaza, Blue Area, Islamabad. Bank Alfalah Limited, Awan Arcade, Blue Area, Islamabad. Bank Islami Pakistan Limited 5-6, Chanab Center, Block 104-E, Jinnah Avenue, Blue Area Islamabad.
LEGAL ADVISORS	Samad Law Associates, Samad Chambers, 1st Floor, G-253/A, Liquat Road, Rawalpindi.
REGISTERED OFFICE	# 88, Khayaban-e-Iqbal, F-8/2, Islamabad. Tel # 92-51-2264308-2255560 Fax # 92-51-2281678
SHARE REGISTRAR / TRANSFER AGENT	Corporate Support Services (Private) Limited 407-408, Al Ameera Center, Shahrah-e-Iraq, Saddar, Karachi. Tel # 92-21-5662023-24 Fax: + 92 21 5221192
FACTORY	Plot # 43, Phase III, Hattar Industrial Estate, N.W.F.P. Hattar. Tel # 92-995-617192 & 617364 Fax # 92-995-617193

CORPORATE PROFILE

ADOS Pakistan is a state-of-the-art API Specification-5CT, Specification-6A and Specification-7 licensed manufacturing facility in Pakistan with a solid commitment to quality indigenous manufacturing of critical service capital intensive oilfield equipment with a guaranteed after market support. In addition to API certifications, Ados is also licensed by Cameron to manufacture their wellhead & Xmas tree product range and Tenaris for manufacturing their RTS premium thread connection.

Our in-house consultants, engineers, machinists, fabricators and welders form a solid core of basic expertise, which along with international technical support and licensing agreements with the world's most reputable manufacturers has enabled ADOS Pakistan Limited to manufacture, repair and maintain the following range of oilfield equipment with guaranteed aftermarket support and service.

1. WELLHEAD ASSEMBLIES

Made from cast or forged steel or alloys thereof, used in Oil & Gas Wells, both land & off-shore, for retaining different size of casings, from 30 OD to 5 OD and upto 10,000 psi working pressure & 350 F operating temperatures.

- Casing Spools slip-on or flanged end for Casing sizes ranging from 30 to 5 OD
- Casing Hangers for casing sizes ranging from 20 to 5 OD.
- Side outlet Valves either gate or ball valves in sizes ranging from 1-13/16 to 7-1/16 ID.
- Side outlet flanges blind or with bull plugs in sizes ranging from 1-13/16 to 7-1/16 ID.
- Other accessories, Risers, Mud lines & Suspension Systems

2. TUBING HEAD X-MAS TREE ASSEMBLIES

Designed to be used for production of Oil or Gas from the Oil & Gas wells to be mounted on the wellhead, both land & offshore. Made from forged steel or alloys thereof, standard or cladded with special corrosion resistant alloys. Conventional type or solid block type Assembly rated upto 10,000-psi working pressure.

- Tubing Spools made from forged steel or steel alloys, standard or gladded with tubing hangers, both for single or multiple well completions. Side outlets with Valves or Flanges rated upto 10,000-psi working pressure ranging from 1-13/16 to 7-1/16 ID.
- Secondary Seal Assemblies with Pseal or other seals incorporated in 2.1 or separately as a flange or adapter.
- Tubing Spool Adapters. Single or Double Studded or through Hole Type.
- Crosses, Tees and Adapters all studded with ring grooves.
- X-Mass Tree Assemblies standard or Solid Block consisting of one or more Standard or cavity Valves ranging in sizes form 1-13/16 to 7-1/16 ID.
- Chokes adjustable or fixed been including rotary type with accessories.
- X-Mass Tree Caps & Weld on Flanges.
- Other Wellhead Accessories.

3. SOCONDARY SEALS, DOUBLE STUDDED ADAPTERS & FLANGES.

Made from forged steel or steel alloys, Standard or Cladded with or without integral seals rated up to 10,000-psi working pressure.

- Double Studded Adapters from 26-3/4 ID to 1-13/16 ID in various combinations.
- Through Bore Adapters from 26-3/4 ID to 1-13/16 ID.
- 3.1 & 3.2 with integral single or double seal.
- Reducer Flange.
- Weld-on Flanges etc.
- Other Accessories.

4. CHOKE & KILL MANIFOLD ASSEMBLY

Production & Drilling chokes both manual and hydraulic operated with crosses, bends & tees. All mounted or unitized o skid as one assembly rated up to 10,000-psi working pressure.

- Production Test Manifolds.
- Drilling Choke and Kill Manifolds.
- Stand Pipe Manifolds.
- Control Manifolds.
- Other Manifolds & accessories.

5. ROTARY DRILLING EQUIPMENT

- Integral & weld blade or replaceable Sleeve type stabilizers.
- Drill String Subs.
- Kelly Saver Subs.
- Bit Subs.
- Tool Joints / Drill Pipes.
- Junk Subs.
- Pup Joints.
- Drill Collars.

6. Seismic Drilling Rigs

- Man portable Seismic Drilling Rigs with Down Hole Hammer.
- Trailer Mounted Seismic Drilling Rigs with Down Hole Hammer.
- Truck Mounted Seismic Drilling Rigs with Down Hole Hammer.

7. General Fabrication & Machining:

- Storage Vessels & Tanks.
- Caravans both skid & wheel mounted.
- Concrete Form Works.
- Jig fixtures for automobile manufacturing plants.
- Weld neck & beveled end flanges.
- Shafts, fittings, plugs & engine heads.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the shareholders of ADOS Pakistan Limited will Insha'Allah be held on Saturday October 31, 2009 at 11.00 A.M at its registered office at # 88, Khayaban-e-Iqbal, F-8/2, Islamabad to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of 23rd Annual General Meeting held on October 31, 2008.
2. To receive, consider and adopt the Audited Financial Statements for the year ended June 30, 2009 together with Director's and Auditor's report therein.
3. To appoint auditors for the year ending June 30, 2010 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

By Order of the Board

SABINA ANSARI
Company Secretary

Islamabad: October 07, 2009

Notes:

i) Share Transfer Book will remain closed from October 23, 2009 to October 31, 2009 [Both days inclusive].Transfers received at the registered office of the Company situated at # 88, Khayaban-e-Iqbal, F-8/2, Islamabad at the close of business on October 22, 2009 will be treated in time for the purpose of payment of Dividend to the transferees.

ii) A member entitled to attend and vote at Annual General Meeting may appoint another member, as his/her proxy to attend and vote on his/her behalf.

iii) The instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of meeting.

iv) a) CDC accountholders entitled to attend and vote at this meeting, must bring with them their National Identity Cards/Passports in original along with participants ID numbers and their Account Numbers to prove his/her identity, and in case of proxy, must enclose an attested copy of his/her NIC or Passport.

b) In case of corporate entity, the Board of Director's resolution / Power of attorney with specimen signature of the nominee shall be produced at the time of meeting. For appointing proxies in case of corporate entity, the Board of Director's Resolution/ Power of attorney with specimen signatures shall be submitted along with proxy form to the Company.

v) Shareholders are required to notify the company of any change in their address immediately.

PATTERN OF HOLDING OF SHARES
HELD BY THE SHAREHOLDERS

AS AT JUNE 30, 2009

Number of Shareholders	Shareholding From	-	To	Total Number of Shares Held
39	1	-	100	3452
716	101	-	500	350447
61	501	-	1000	60800
71	1001	-	5000	220901
8	5001	-	10000	69000
7	10001	-	15000	96000
6	15001	-	25000	125000
2	25001	-	30000	57000
1	45001	-	50000	50000
1	60001	-	65000	63500
1	85001	-	90000	87000
1	95001	-	100000	100000
1	100001	-	200000	106000
1	210001	-	215000	213500
1	250001	-	300000	250500
2	2360001	-	2365000	4729500
919				**6582600**

Note: The slabs not applicable have not been shown.

Categories of shareholders	Number of Shareholders	Number of Shares Held	Percentage %
Financial Institutions	2	1700	0.03%
Individuals	911	6468110	98.26%
Joint Stock Companies	5	6790	0.10%
Associated Companies	1	106000	1.61%
	919	**6582600**	**100%**

STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE

This Statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulations of all the three Stock Exchanges in Pakistan for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. ADOS Pakistan Limited believes in best practices of Corporate Governance and confirms its support for the implementation of the code of Corporate Governance enforced in Pakistan.

2. Formal and comprehensive delegation of powers exists in the company since start of its commercial production in the year 1994.

3. A vision and mission statement has also been adopted by the Board. A policy manual containing a complete record of significant policies is maintained by the Company.

4. Internal Control Systems that are in operation for the last few years are based on checks and balances at all levels.

5. The Directors and Employees were provided with the Business Ethics of the Company, which have been adopted and accepted by them.

6. The quarterly un-audited financial statements of the company are being published and circulated along with the reports of the directors.

7. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company and no casual vacancies have occurred on the board during the financial year.

8. The meetings of the Board were presided over by the Chairperson and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded.

9. The Company encourages representation of non-executive directors. At present the Board includes four non-executive directors and this means that 57% of directors on the Board are non-executive directors.

10. None of the Director's of the Company has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared defaulter by the Stock Exchange and are registered taxpayers.

11. No casual vacancies arose on the Board during the year.

12. The Company has prepared a "Standard of Business Ethics and Conduct", which has been acknowledged by all the management of the Company.

13. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been approved by the Board.

14. The appointment of the Chief Financial Officer, Company Secretary and the Head of Internal Audit including their remuneration and terms and conditions of the employment has been determined by the CEO with the approval of the Board.

15. The company has been operating with the most modern and efficient information management system.

16. The Directors, CEO and the Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of share holding.

17. The Director's Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

18. The financial statements of the Company were duly indorsed by the CEO and CFO before approval of the Board.

19. The company has formed an audit committee after the enforcement of the code of corporate Governance by the Stock Exchanges.

20. The Audit Committee consists of two non-executive Directors' and one executive Director and the committee is meeting at least once in every quarter.

21. The statutory Auditors of the Company have confirmed that they have given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company.

22. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the Auditors have confirmed that they have observed IFAC guidelines in this regard.

The Company is committed to make full compliance of the best corporate practices in Pakistan.

ZIA AKBAR ANSARI
CHIEF EXECUTIVE OFFICER

Islamabad: October 07, 2009

DIRECTOR'S REPORT TO THE MEMBERS

Gentlemen,

The Directors of the company take pleasure in placing before you the 24th Annual Report together with the Audited Accounts, Auditor's Report, Statement of Compliance with the best practice of Corporate Governance and Auditor's Review Report on it thereon.

1. The management feels immense pleasure to announce that the board of Directors of the Company has recommended a final cash dividend @ Rs. 2.00 per share i.e. 20% for the year ended June 30, 2009 in their board meeting held on October 07, 2009 at 11.30 A.M at # 88, Khayaban-e-Iqbal, F-8/2, Islamabad. The management is fully satisfied that the Company is moving on the path of continuous profitability and is in a healthy & sound financial position with greater satisfaction of its shareholders.

2. Regarding qualification by our external auditors in their report to the members on the correctness relating to nomenclature and valuation of items being classified as Stores and loose tools (note 7) amounting to Rs. 1,653,593 (2008: 1,653,593) and Stock in trade (note 8) amounting to Rs.3,264,562 (2008: 3,264,562), as stated in previous financial years, the Company has purchased these items stated under the above stated heads in the shape of a bulk and was imported from abroad. The price was paid for whole of the items collectively i.e. for whole of the bulk and the documents related to these were fully verified by the auditors. The problem was with the assigning of cost to each item separately, as physically verified by the auditors on stock take and to have the underlying documents and the basis for the valuation for each item for verification purposes. The management has consulted with the financial advisors and it is pointed out that these items are not of capital nature and hence depreciation charge not be made on them.

3. With very tight business schedules of Directors, proper conduction of Orientation Courses was not held during the year though in house lectures were conducted from time to time during the year. The management fully intends to conduct orientation courses for its directors as per clause (xiv) of the code of Corporate Governance as applicable in Pakistan & the Directors fully support the applicability of the Code of Corporate Governance in this regard.

4. The management is working its best to get maximum of orders from Oil & Gas Exploration Companies Operating in Pakistan in order to maintain the level of sales while maintaining the quality & standard of work done to its customers. In current scenario of business and security inside the country as well as the global recession the management is very cautious and looking the matters closely.

5. In the current market situation of high competition with competitors from China and other companies in the run for business the management is also in a process to diversify the nature of business and is moving to gain the business of multiple fabrication processes of telecommunication and Security infrastructure in order to maintain the level of sales.

The Directors' takes this opportunity to thank the management, workers principal sponsors, bankers and to the most the shareholders for their endless cooperation and support.

STATEMENT ON CORPORATE GOVERNANCE

The Board is pleased to certify that:

i) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.

ii) Proper books of accounts of the Company have been maintained.

iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

iv) International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements.

v) The system of internal control is being further strengthened and monitored.

vi) There are no significant doubts upon the Company's ability to continue as a going concern.

vii) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

BOARD MEETINGS:

During the year Seven (7) meetings were held. Attendance by each Director & CEO is as follows:

Name of Directors & CEO	Attendance
Mr. Zia Akbar Ansari C.E.O	07
Mr. Jamal Akbar Ansari	07
Mrs. Razia Akbar Ansari	04
Ms. Sabina Ansari	07
Ms. Suboohi Ansari	04
Mrs. Uzma Jamal	05
Mrs. Shoobarana Zia	05
Mr. Sheikh Usman Ahmed	07

CATEGORIES AND PATERN OF SHARE HOLDING:

The Categories and Pattern of Shareholding as required by the Companies Ordinance, 1984 in Form 34 are included in this report. Additional information is given, as under:

Information under Clause XIX (i) of the Code of Corporate Governance

		Shares held	%
Financial Institutions:			
Bankers' Equity Limited		400	0.006
Asian Development Bank		1300	0.019
Joint Stock Companies:			
Highlink Capital (Private) Limited		1500	0.007
Azee Securities (Private) Limited		1400	0.015
Time Securities (Private) Limited		500	0.015
United Equities (SMC-Pvt.) Limited		390	0.007
Durvesh Securities (Private) Limited		3000	0.015
Associated Companies:			
Akbar Associates (Pvt.) Limited		106000	1.61
Directors, CEO, and their Spouse			
Mr. Zia Akbar Ansari	CEO	2364750	35.92
Mr. Jamal Akbar Ansari	Director	2364750	35.92
Mrs. Razia Akbar Ansari	Director	250500	3.80
Miss. Sabina Ansari	Director/CS	20000	0.30
Miss. Suboohi Ansari	Director	20000	0.30
Mrs. Shoobarana Zia	Director	22500	0.34
Mrs. Uzma Jamal	Director	23000	0.35
Mr. Sheikh Usman Ahmed	Director	500	0.007

Information under Clause XIX (j) of the Code of Corporate Governance

The CEO, Directors, Company Secretary, CFO and their spouses have made no sale/purchase of Company's shares during the financial year ended June 30, 2009.

Moreover, the directors of the company have not been appointed as a director in more than nine other listed Companies and no spouse of the directors of the company is involved in the business of brokerage.

Shareholders holding ten percent or more voting interest in the Company:

	Shares held
Mr. Zia Akbar Ansari	2364750
Mr. Jamal Akbar Ansari	2364750

For and on behalf of the Board

ZIA AKBAR ANSARI
CHIEF EXECUTIVE OFFICER

Islamabad, October 07, 2009.

SIX YEARS AT A GLANCE

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
Operating Results						
Sales	795,783,474	336,974,328	790,611,416	359,669,699	298,361,102	81,157,088
Gross Proft	148,558,509	52,138,423	87,995,560	35,781,545	35,449,888	15,035,128
Pre-Tax Profit	76,366,739	12,338,348	23,175,227	12,748,625	9,323,694	1,234,150
After-Tax Profit	51,830,332	6,829,325	9,960,346	6,503,001	12,116,996	6,332,325
Financial Position						
Current Assets	492,296,889	280,289,599	344,733,036	222,792,766	68,133,916	70,505,783
Current Liabilites	411,200,644	240,569,340	309,437,946	186,962,457	45,177,198	55,607,731
Opertaing Fixed Assets	54,907,327	40,704,265	38,057,552	35,968,136	38,044,053	38,003,822
Total Assets	547,204,216	320,993,864	382,790,588	264,531,913	116,359,247	114,405,776
Long-term Loans & Def Liabilities	6,026,887	2,806,365	3,523,333	1,902,254	2,017,848	1,750,840
Shareholders' Equity	129,976,685	77,618,159	69,829,308	75,667,202	69,164,201	57,047,205
Ratios						
Current Ratio	1.20	1.17	1.11	1.19	1.51	1.27
Gross Profit to Sales	18.67	15.47	11.13	9.95	11.88	18.53
Net Profit to Sales	6.51	2.03	1.26	1.81	4.06	7.80
Breakup Value per share (Rs.)	19.75	11.79	10.61	11.50	10.51	8.67
Earning per share-Basic (Rs.)	7.87	1.04	1.51	0.99	1.84	0.96

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance ("Code") prepared by the Board of Directors of ADOS Pakistan Limited ("the Company") to comply with the Listing Regulation of the Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's Compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (xiii) of Listing Regulations 37 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except that the orientation courses for the Company's directors as required by Clause (xiv) of Code were not arranged, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code.

Karachi

Anjum Asim Shahid Rahman
Chartered Accountants

Date: October 07, 2009

AUDITORS' REPORT TO THE MEMBERS OF

ADOS PAKISTAN LIMITED

We have audited the annexed balance sheet of **ADOS Pakistan Limited** as at June 30, 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that except for item mentioned at Para (1), we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

1) In the absence of record we have not been able to ensure the correctness relating to the nomenclature and valuation of items being classified as Stores and loose tools (refer note 7) amounting to Rs. 1,653,593 (2008: Rs. 1,653,593) and Stock in trade (refer note 8) amounting to Rs. 3,264,562 (2008: Rs. 3,264,562).

Except for the matters stated above and the extent to which the same may effect the financial statements, we report that:

a. in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b. in our opinion:-

   i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

   ii. the expenditure incurred during the year was for the purpose of the Company's business; and

c. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter referred to in paragraph 1 above, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2009 and of the profit, its cash flows and changes in equity for the year then ended; and

d. in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Karachi

Date: October 07, 2009

Anjum Asim Shahid Rahman
Chartered Accountants
Shahzada Saleem Chughtai

ADOS PAKISTAN LIMITED

BALANCE SHEET
AS AT JUNE 30, 2009

	Note	JUNE 30 2009 Rupees	JUNE 30 2008 Rupees
Assets			
Non - Current Assets			
Property, plant and equipment	6	54,907,327	40,704,265
		54,907,327	40,704,265
Current Assets			
Stores and loose tools	7	1,653,593	1,653,593
Stock in trade	8	3,264,562	3,264,562
Trade debts	9	205,997,238	128,457,391
Advances, deposits, prepayments and other receivables	10	17,136,260	15,555,511
Short term investment	11	16,487,720	15,959,526
Advance income tax - net of provision	12	21,319,182	998,894
Cash and bank balances	13	226,438,334	114,400,122
		492,296,889	280,289,599
Total Assets		547,204,216	320,993,864
Equity			
Authorized share capital			
7,000,000 (2008: 7,000,000) ordinary shares of Rs. 10 each		70,000,000	70,000,000
Issued, subscribed and paid up capital	14	65,826,000	65,826,000
Reveune Reserves			
Unrealised gain on remeasurement of available for sale investment	11	1,487,720	959,526
Unappropriated profit		62,662,965	10,832,633
Total Equity		129,976,685	77,618,159
Liabilities			
Non - Current Liabilities			
Deferred Liabilities			
Deferred tax	15	3,535,052	759,217
Employees' benefit obligation	16	2,491,835	2,047,148
		6,026,887	2,806,365
Current Liabilities			
Trade and other payables	17	400,126,672	237,125,661
Due to associated company	18	7,713,817	83,085
Unclaimed dividend		3,360,155	3,360,594
		411,200,644	240,569,340
Total Liabilities		417,227,531	243,375,705
Total Equity and Liabilities		547,204,216	320,993,864
Contingencies and Commitments	31		

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ADOS PAKISTAN LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	JUNE 30 2009 Rupees	JUNE 30 2008 Rupees
Revenue	19	795,783,474	336,974,328
Cost of sales / services	20	647,224,965	284,835,905
Gross profit		148,558,509	52,138,423
Selling and distribution expenses	21	41,375,525	17,992,772
Administrative expenses	22	28,059,800	24,344,986
Operating profit		79,123,184	9,800,665
Other operating income	23	10,592,157	4,451,192
Financial cost	24	673,319	710,185
		89,042,022	13,541,672
Other operating expenses	25	12,675,283	1,203,324
Profit before income tax		76,366,739	12,338,348
Income tax expense	26	24,536,407	5,509,023
Profit for the year		51,830,332	6,829,325
Earning per share	27	7.87	1.04

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ADOS PAKISTAN LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	JUNE 30 2009 Rupees	JUNE 30 2008 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax		76,366,739	12,338,348
Adjustment for:			
Depreciation	Note: 6.2	5,514,324	4,699,322
Provision for employees' benefit obligation	Note: 16	727,164	615,035
Provision for doubtful debts	Note: 9.1	4,306,657	6,513,635
Reversal of provision for doubtful debts	Note: 23	(5,039,735)	-
Provision for WPPF & WWF	Note: 25	5,322,184	1,050,644
Loss on disposal of property, plant and equipment	Note: 25	11,485	152,680
Financial cost	Note: 24	673,319	710,185
		11,515,398	13,741,501
		87,882,137	26,079,849
(Increase) in current assets			
Trade debts		(76,806,769)	(69,455,587)
Advances, deposits, prepayments and other receivables		(1,580,749)	(6,011,907)
		(78,387,518)	(75,467,494)
Increase/(Decrease) in current liabilities			
Trade and other payables		158,652,665	(66,848,526)
Due to associated company		7,630,732	(129,373)
		166,283,397	(66,977,899)
Cash generated from / (used in) operations		175,778,016	(116,365,544)
Financial cost paid		(490,442)	(258,430)
Taxes paid		(42,080,860)	(6,699,885)
Gratuity paid		(282,477)	(798,266)
WPPF paid		(1,156,715)	(2,509,758)
		(44,010,494)	(10,266,338)
Net flow from / (used in) operating activities		131,767,522	(126,631,882)
CASH FLOW FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(19,813,871)	(7,848,715)
Proceeds from disposal of property, plant and equipment		85,000	350,000
Short term investment		-	(15,000,000)
Net cash (used in) investing activities		(19,728,871)	(22,498,715)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of directors' loan		-	(15,577)
Dividend paid		(439)	(210,648)
Net cash (used in) financing activities		(439)	(226,225)
Net increase / (decrease) in cash and cash equivalents		112,038,212	(149,356,822)
Cash and cash equivalent at the beginning of the year		114,400,122	263,756,944
Cash and cash equivalent at the end of the year	Note: 13	226,438,334	114,400,122

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ADOS PAKISTAN LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2009

	Issued, subscribed and paid up capital	Revenue reserves		Shareholders' equity
		Unrealised gain/(Loss) on remeasurement of available for sale investment	Unappropriated profit	
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2007	65,826,000	-	4,003,308	69,829,308
Unrealised gain during the year in the market value of investment classified as available for sale	-	959,526	-	959,526
Net income for the year recognised directly in equity	65,826,000	959,526	4,003,308	70,788,834
Profit for the year ended June 30, 2008	-	-	6,829,325	6,829,325
Balance as at June 30, 2008	65,826,000	959,526	10,832,633	77,618,159
Unrealised gain during the year in the market value of investment classified as available for sale	-	528,194	-	528,194
Net income for the year recognised directly in equity	65,826,000	1,487,720	10,832,633	78,146,353
Profit for the year ended June 30, 2009	-	-	51,830,332	51,830,332
Balance as at June 30, 2009	65,826,000	1,487,720	62,662,965	129,976,685

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

1 LEGAL STATUS AND OPERATIONS

Ados Pakistan Limited (the "Company") was incorporated in Pakistan under the Companies Ordinance, 1984 on March 5, 1986 as a Private Limited Company and was later on converted into Public Limited Company on April 4, 1989. The Company's registered office is situated at House No. 88, Khayaban-e-Iqbal, F-8/2, Islamabad. Its shares are quoted on all the three stock exchanges in Pakistan. The principal activity of the Company is fabrication and refurbishment of equipments and spare parts used in oil and gas industry.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirement differ, the provisions or directives of the Companies Ordinance, 1984, shall prevail.

3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

3.1 Initial application of standard or an interpretation

The following standards, amndments and interpretations became effective during the current year:

IAS 29 - Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after April 28, 2008). The company does not have any operations in hyperinflationary economies and therefore the application of the standard did not had an effect on the company's financial statement.

IFRIC 13 - Customer loyalty programmes (effective for annual periods beginning on or after July 01, 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 did not had an effect on the company's financial statements.

IFRIC 14 IAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after January 01, 2008). IFRIC 14 clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements (MFR) for such assets, The interpretation had no effect on company's financial statements for the year ended June 30, 2009.

3.2 Standards, interpretations and amendments not yet effective

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than increase in disclosures in certain cases:

		Effective date
IAS 1	Presentation of Financial Statements	1 January, 2009
IAS 23	Borrowing Costs	1 January, 2009
IAS 27	Consolidated and Separate Financial Statements	1 January, 2009
IAS 32	Amendments – Financial instruments: Presentation & Disclosures	1 January, 2009
IAS 36	Impairment of Assets	1 January, 2009
IAS 38	Intangible Assets	1 January, 2009
IAS 27	Consolidated and Separate Financial Statements	1 January, 2009
IFRIC 15	Agreement for the Construction of Real Estate	1 January, 2009
IFRIC 16	Hedge of Net Investment in a Foreign Operation	1 October, 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July, 2009
IFRIC 18	Transfers of Assets from Customers	1 July, 2009

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after January 01, 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owners changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

Revised IAS 23 - Borrowing Costs (effective for annual periods beginning on or after January 01, 2009) removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Amendment to IFRS 7 - Improving Disclosures about Financial Instruments (effective for annual periods beginning on or after January 01, 2009). The amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements.

IFRS 8 - Operating Segments (effective for annual periods beginning on or after January 01, 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the company's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently, the company presents segment information in respect of its business segments.

Based on the Company current business model and accounting policies, management does not expect material impacts on the Company's financial statements when the Interpretations become effective.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent. Judgments are based on the information available at each balance sheet date. Although these estimates are based on the best information available to management, actual results may ultimately differ from those estimates.

4.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at fair values or amortized cost and and employees' benefit obligation which have been recognised at present value determined by independent actuary (refer note 4.13).

These financial statements have been prepared under the accrual basis of accounting except cash flow information.

4.3 Property, plant and equipment

Operating fixed assets are stated at cost less accumulated depreciation.

Leased hold land held for business use is stated at leased amount less amortization. Building, plant, tools, office equipments, furniture, carpets and vehicles are carried at acquisition cost or manufactured cost less subsequent depreciation and impairment losses if any.

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

• Lease hold land	1%
• Factory building on leasehold land	10%
• Plant and machinery	10%
• Tools and lab equipment	10%
• Office equipment	10%
• Furniture and fixtures	10%
• Carpets and curtains	10%
• Vehicles	20%

Depreciation is provided on reducing balance method over the estimated useful lives of the assets at rates specified above.

Depreciation on additions is charged from the month of acquisition and on disposals upto the month the asset is in use. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of fixed assets are charged to current years' income.

4.4 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised at the time when the Company loses the control of the contractual rights that comprise the financial assets. Financial liabilities are de-recognised at the time when obligation specified in the contract is discharged, cancelled or expired.

4.5 Investments

The management determines the appropriate classification of its investments in accordance with the requirements of IAS 39 "Financial Instruments: Recognition and Measurement".

Investment intended to be held for short term, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables (b) held to maturity investments (c) financial assets at fair value through profit or loss . These investments are initially recognised at fair value which includes transaction costs associated with the investments. Subsequent to initial recognition, these investments are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses on changes in fair values of these investments are taken to shareholders' equity.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.6 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and net amount is reported in the balance sheet if the Company has legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.7 Functional and presentation currency

These financial statement are presented in Pak Rupees, which is the Company's' functional currency. All financial information presented in Pak Rupees is rounded to nearest rupee.

4.8 Stores and loose tools

Stores and loose tools are valued at lower of cost and net realizable value

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.9 Stock-in-trade

Stock of raw materials and work in process are valued at weighted average cost whereas finished goods are valued at lower of weighted average cost and net realizable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads.

Raw material cost comprises invoice values plus other related charges paid thereon. Net realizable value signifies estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

4.10 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair values. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark up arrangements.

4.12 Taxation

Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax rebates and tax credits available, if any.

Deferred

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable profit.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

4.13 Employees' retirement benefits

The Company operates an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Provision is made annually to cover obligations under the scheme in accordance with actuarial recommendations. Projected Unit Credit Method has been used for actuarial valuation carried out by an indepenedent actuary M/s Nauman Associates as of 30 June 2009. The results of current valuation are summarized in note 16.

Actuarial gains/ (losses) in excess of 10% of the present value of the defined benefit obligation are recognized over the expected average future working lives of the employees participating in the scheme. Past service cost is recognized immediately to the extent the benefits are already vested.

The amount recognized in the balance sheet represents the present value of the defined benefit obligation adjusted for the actuarial gains and losses and unrecognized past service cost.

4.14 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

4.15 Other provisions, contingent liabilities and contingent assets

Provision is recognized when the Company has a present obligation a result of past event, which it is probable will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material.

4.16 Related party transactions

Sale and purchase transactions with related parties are carried out at arm's length price under the comparable uncontrolled price method. All other transactions are carried out on the basis of mutually agreed terms.

4.17 Revenue recognition

Sales are recorded on dispatch of goods.

Revenue from repair services is recognized as and when services are rendered.

Interest income are recorded on an accrual basis.

4.18 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the date of transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary balance sheet items at year end exchange rates are recognized in profit and loss account.

4.19 Disposal of assets and non-current assets

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement. The gain or loss arising from the sale of non-current assets is generally included in "other income" or "other expense" in the income statement.

4.20 Equity and dividend payments

Share capital is determined using the nominal value of shares that have been issued.

Un appropriated profit include all current and prior period results as disclosed in the income statement.

Dividend distribution to the shareholders is recognised as a liability in the period in which it is approved by the shareholders.

4.21 Expense recognition, borrowing costs

Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin. Interest expenses are reported on an accrual basis. All borrowing costs are expensed as incurred.

4.22 Impairment of non financial assets

The carrying amounts of non financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continually evaluated and are based on historical expenditure and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Depreciation on property, plant and equipment.
(b) Recoverable amount of depreciable, amortizable and financial assets.
(c) Provision for taxation and related deferred tax liability.
(d) Liability against employees' benefit.
(e) Other provision, contingent liabilities and contingent assets.

However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the foreseeable period.

6 PROPERTY, PLANT AND EQUIPMENT

Particulars	Lease hold land	Factory building on lease hold land	Plant and machinery	Tools and lab equipment	Office equipment	Furniture and fixture	Carpets and curtain	Vehicle	Total
	Rupees								
Gross carrying amount	1,408,515	20,242,352	75,381,383	5,842,580	3,591,556	2,769,067	143,111	10,010,361	119,388,925
Additions	14,254,853	-	-	-	37,832	9,600	-	5,511,586	19,813,871
Disposals	-	-	-	-	-	-	-	(225,000)	(225,000)
Balance as at June 30, 2009	15,663,368	20,242,352	75,381,383	5,842,580	3,629,388	2,778,667	143,111	15,296,947	138,977,796
Depreciation									
Balance as at July 01, 2008	(270,323)	(14,906,094)	(51,833,467)	(4,367,755)	(2,070,277)	(1,864,925)	(104,629)	(3,267,190)	(78,684,660)
Disposals	-	-	-	-	-	-	-	128,515	128,515
Depreciation	(143,487)	(533,626)	(2,354,792)	(147,482)	(154,650)	(90,992)	(3,849)	(2,085,446)	(5,514,324)
Balance as at June 30, 2009	(413,810)	(15,439,720)	(54,188,259)	(4,515,237)	(2,224,927)	(1,955,917)	(108,478)	(5,224,121)	(84,070,469)
Carrying amount as at June 30, 2009	15,249,558	4,802,632	21,193,124	1,327,343	1,404,461	822,750	34,633	10,072,826	54,907,327

Particulars	Lease hold land	Factory building on lease hold	Plant and machinery	Tools and lab equipment	Office equipment	Furniture and fixture	Carpets and curtain	Vehicle	Total
				Rupees					
Gross carrying amount	1,408,515	20,242,352	73,211,340	5,647,408	3,448,056	2,700,067	143,111	5,539,361	112,340,209
Additions	-	-	2,170,043	195,172	143,500	69,000	-	5,271,000	7,848,715
Disposals	-	-	-	-	-	-	-	(800,000)	(800,000)
Balance as at June 30, 2008	1,408,515	20,242,352	75,381,383	5,842,580	3,591,556	2,769,067	143,111	10,010,361	119,388,925
Depreciation									
Balance as at July 01, 2007	(256,095)	(14,313,176)	(49,443,889)	(4,204,003)	(1,910,041)	(1,770,565)	(100,353)	(2,284,534)	(74,282,657)
Disposals	-	-	-	-	-	-	-	297,320	297,320
Depreciation	(14,228)	(592,918)	(2,389,578)	(163,751)	(160,236)	(94,360)	(4,276)	(1,279,976)	(4,699,322)
Balance as at June 30, 2008	(270,323)	(14,906,094)	(51,833,467)	(4,367,755)	(2,070,277)	(1,864,925)	(104,629)	(3,267,190)	(78,684,660)
Carrying amount as at June 30, 2008	1,138,192	5,336,258	23,547,916	1,474,825	1,521,279	904,142	38,482	6,743,171	40,704,265

6.1 Addition in leasehold land of Rs. 14.25 million represents land measuring 10 acres in Industrial Estate of Hattar allotted to the company by Sarhad Development Authority (SDA) on a a lease term of 99 years for setting up of a facility for repair, maintenance and manufacturing of oil field and communication equipments. A civil suit has been filed by Surban Textile Mill Limited against SDA and others including the company for allotment of the land. While the company is a party in this case, the management expects a favourable decision based on the opinion of legal expert.

6.2 Depreciation charge for the year has been allocated as under:

		2009 Rupees	2008 Rupees
Cost of sales/services	Note: 20	3,179,387	3,160,475
Administrative expenses	Note: 22	2,334,937	1,538,847
		5,514,324	4,699,322

6.3 Particulars of property,plant and equipment having a net book value exceeding Rs. 50,000 disposed off during the year are as follows:

Asset description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Loss on disposal	Mode of disposal	Particulars of buyer
Motor vehicles	225,000	128,515	96,485	85,000	(11,485)	Auction to employees	Mr. Saeed

7 STORES AND LOOSE TOOLS

		2009 Rupees	2008 Rupees
Stores		926,907	926,907
Loose tools		1,909,070	1,909,070
Less: Provision for obsolete and slow moving items		(1,182,384)	(1,182,384)
Stores and loose tools		1,653,593	1,653,593

8 STOCK IN TRADE

Raw materials		1,780,562	1,780,562
Finished goods		1,484,000	1,484,000
Stock in trade		3,264,562	3,264,562

9 TRADE DEBTS

Trade debtors - Unsecured, considered good		205,997,238	128,457,391
- Unsecured, considered doubtful		10,465,443	11,229,007
		216,462,681	139,686,398
Less: Provision for doubtful debts	Note: 9.1	10,465,443	11,229,007
Trade debts		205,997,238	128,457,391

9.1 Provision for doubtful debts

Opening balance as on July 01		11,229,007	11,078,006
Provision for the year	Note: 22	4,306,657	6,513,635
Less: reversal for the year	Note: 23	(5,039,735)	-
written off against provision		(30,486)	(6,362,634)
Provision for doubtful debts		10,465,443	11,229,007

10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to employees		2,844,021	2,917,756
Other advances - Considered good		4,656,084	4,164,573
		7,500,105	7,082,329
Security deposits		229,050	229,050
Margin deposits	Note: 10.1	7,356,496	6,696,361
		7,585,546	6,925,411
Prepayments		442,800	366,649
Sales tax refundable		1,607,809	1,181,122
Advances, deposits, prepayments and other receivables		17,136,260	15,555,511

10.1 This represents cash margin held by different banks against bid bonds, performance bonds and bank guarantees.

11 SHORT TERM INVESTMENT - available for sale

2009	2008		2009		2008
No. of units		Description	Cost (Rupees)	Fair value (Rupees)	Fair value (Rupees)
164,024	155,128	United Islamic Income Units	15,000,000	16,487,720	15,959,526

	2009 Rupees	2008 Rupees
Fair value of investment at the beginning of year	15,959,526	
Addition during the year	-	15,000,000
Gain on remeasurement of investment	528,194	959,526
Fair value of investment at year end	16,487,720	15,959,526

11.1 Fair value is determined using the announced re-purchase price by the fund management.

12 ADVANCE INCOME TAX - net of provision

	2009 Rupees	2008 Rupees
Advance tax deducted at source	43,079,754	7,180,619
Less: provision for taxation	(21,760,572)	(6,181,725)
Advance tax - net of provision	21,319,182	998,894

13 CASH AND BANK BALANCES

	2009 Rupees	2008 Rupees
Cash in hand	7,610	6,237
Cash at banks:		
Local currency saving accounts	135,043,428	85,138,009
Local currency current accounts	90,455,163	29,134,284
Foreign currency current accounts	932,133	121,592
Cash and bank balances	226,438,334	114,400,122

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

The share capital of Ados Pakistan Limited consists only of ordinary shares with a par value of Rs. 10. All shares are equally eligible to receive dividends.

		2009 Rupees	2008 Rupees
Share issued and fully paid	Note: 14.1	65,826,000	65,826,000

14.1 These includes 106,000 shares held by the Akbar Associates (Private) Limited, an associated company.

15 DEFERRED TAX

Deferred taxes arising from temporary differences can be summarised as follows.

	2009		2008	
	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets
Non-current assets				
Property, plant and equipment	(8,483,934)	-	-	3,584,770
Current assets				
Stores, trade debts and employees' benefit obligation	-	4,948,882	(4,343,987)	-
	(8,483,934)	4,948,882	(4,343,987)	3,584,770
Offset	4,948,882	-	3,584,770	
Net	(3,535,052)	-	(759,217)	

16 EMPLOYEES' BENEFIT OBLIGATION

	2009 Rupees	2008 Rupees
Employees' gratuity	2,491,835	2,047,148

The employees' benefit obligation as at the balance sheet date for the reporting year are as follows.

Present value of defined benefit obligation	2,125,132	1,853,901
Benefit payable-retired	561,437	434,186
Unrecognized actuarial loss	(194,734)	(240,939)
Net liability at the end of the year	2,491,835	2,047,148

Movement in the present value of defined benefit obligation is as follows

Present value of defined benefit obligation at the beginning of the year	1,853,901	1,409,537
Current service cost	495,438	474,081
Interest cost	222,468	140,954
Benefit payable	(127,251)	
Benefit paid	(282,477)	(399,253)
Actuarial (gain)/loss	(36,947)	228,582
Present value of defined benefit obligation at the end of the year	2,125,132	1,853,901

Expense recognized in profit and loss account.

Current service cost	495,438	474,081
Interest cost	222,468	140,954
Net actuarial loss recognized	9,258	-
Provision of employees' benefit	727,164	615,035

Expense is recognized in the following line items in profit and loss account.

Cost of sales/services	Note: 20.2	456,090	498,178
Administrative expenses	Note: 22.1	271,074	116,857
		727,164	615,035

Principal actuarial assumptions used were as follows.

Discount rate per annum	12%	12
Expected rate of increase in eligible salary per annum	11% per annum	11% per annum
Mortality rate	EFU 61-66 Mortality	EFU 61-66 Mortality
Average expected remaining working life time of employees	6 years	6 years

Detail of present value of employees' benefit obligation.

	2009	2008	2007	2006	2005
			Rupees		
Present value of defined benefit	2,125,132	1,853,901	1,409,537	1,668,695	1,293,161

17 TRADE AND OTHER PAYABLES

		2009 Rupees	2008 Rupees
Creditors - unsecured		368,466,297	217,553,133
Accrued liabilities		1,707,931	2,160,217
Advances from customers	Note: 17.1	21,971,581	14,376,763
Sales tax payable		-	3,188
Workers' profit participation fund (WPPF)	Note: 17.2	4,267,897	1,156,715
Other liabilities		3,712,966	1,875,645
Trade and other payables		400,126,672	237,125,661

17.1 Includes an advance of Rs. 18.08 million (2008: Rs. 12.18 million) received from Akbar Associates (Private) Limited, (an associated company) against supply of LPG bowzers.

17.2 Workers' Profit Participation Fund

		2009 Rupees	2008 Rupees
Balance as at July 01		1,156,715	2,509,758
Charge for the year		4,085,020	704,959
Interest for the year	Note: 24	182,877	451,756
Paid during the year		(1,156,715)	(2,509,758)
Balance as at June 30		4,267,897	1,156,715

18 DUE TO ASSOCIATED COMPANY

Akbar Associates (Pvt) Limited	Note: 21.1	7,713,817	83,085

19 REVENUE / RESULTS

June 30, 2009		Fabrication	Repairs & services	Total
Revenue		775,138,478	20,644,996	795,783,474
Raw materials consumed	Note: 20.1	(563,001,219)	(14,994,944)	(577,996,163)
Salaries, wages and benefits	Note: 20.2	(9,680,403)	(257,827)	(9,938,230)
Depreciation	Note: 6.2	(3,096,905)	(82,482)	(3,179,387)
Other expenses		(54,655,494)	(1,455,691)	(56,111,185)
Cost		(630,434,021)	(16,790,944)	(647,224,965)
Results		144,704,457	3,854,052	148,558,509

June 30, 2008		Fabrication	Repairs & services	Total
Revenue		313,626,064	23,348,264	336,974,328
Raw materials consumed	Note: 20.1	(213,129,690)	(15,866,692)	(228,996,382)
Salaries, wages and benefits	Note: 20.2	(8,147,927)	(606,582)	(8,754,509)
Depreciation	Note: 6.2	(2,941,492)	(218,982)	(3,160,475)
Other expenses		(40,881,098)	(3,043,442)	(43,924,539)
Cost		(265,100,207)	(19,735,698)	(284,835,905)
Results		48,525,857	3,612,566	52,138,423

20 COST OF SALES/ SERVICES

		2009 Rupees	2008 Rupees
Raw materials consumed	Note: 20.1	577,996,163	228,996,382
Salaries, wages and benefits	Note: 20.2	9,938,230	8,754,509
Stores, spares and lubricants		24,549,927	28,784,148
Repair and maintenance		490,911	330,503
Travelling and conveyance		339,040	133,592
Vehicle running and maintenance		11,631	48,368
Electricity, water and gas		1,340,715	1,868,698
Telephone and postage		157,715	135,550
Carriage and freight		2,260,112	1,822,399
Royalty and equipment rentals		1,782,404	839,469
Clearing and service charges		20,043,966	5,731,606
Other factory overheads		5,134,764	4,230,206
Depreciation	Note: 6.2	3,179,387	3,160,475
Cost of sales/ services		647,224,965	284,835,905

20.1 Raw materials consumed

Opening balance as on July 01	1,780,562	1,780,562
Add: Purchases during the year	577,996,163	228,996,382
	579,776,725	230,776,944
Less: Closing balance as on June 30	1,780,562	1,780,562
Raw materials consumed	577,996,163	228,996,382

20.2 These include an amount in respect of employees' benefit obligation of Rs. 456,090 (refer to note: 16) (2008: Rs. 498,178).

21 SELLING AND DISTRIBUTION EXPENSES

		2009 Rupees	2008 Rupees
Advertisement and sales promotion		1,549,970	1,144,056
Marketing expenses	Note: 21.1	39,825,555	16,848,716
Selling and distribution expenses		41,375,525	17,992,772

21.1 Marketing expenses

Marketing expenses are being paid to Akbar Associates (Private) Limited, an associated company at maximum of 5% of the revenue for services rendered to the Company.

22 ADMINISTRATIVE EXPENSES

		2009 Rupees	2008 Rupees
Salaries and other benefits	Note: 22.1	4,095,059	3,369,197
Directors' remuneration		5,560,772	4,673,521
Travelling and conveyance		2,989,010	1,386,419
Rent, rate and taxes		180,411	111,804
Legal and professional charges		309,789	881,400
Fee and subscription		522,350	614,809
Electricity, gas and water		267,523	216,339
Repair and maintenance		391,066	288,362
Insurance		1,209,282	529,229
Vehicle running and maintenance		789,974	506,362
Printing, stationary and periodicals		852,700	928,227
Postage, telex and telephone		2,613,136	1,652,174
Entertainment and staff welfare		382,421	223,984
Depreciation	Note: 6.2	2,334,937	1,538,847
Auditors' remuneration	Note: 22.2	300,000	215,000
Donations	Note: 22.3	592,946	349,107
Provision for doubtful debts	Note: 9.1	4,306,657	6,513,635
Miscellaneous expenses		361,767	346,571
Administrative expenses		28,059,800	24,344,986

22.1 These include an amount in respect of employees' benefit obligation of Rs. 271,074 (refer to note: 16) (2008: Rs.

22.2 Auditors' remuneration

	2009 Rupees	2008 Rupees
Annual audit fee	250,000	150,000
Half-yearly review fee	30,000	30,000
Other	20,000	35,000
Auditors' remuneration	300,000	215,000

22.3 Donations

Donations do not include any amount paid to any person or any organization in which a director or his spouse had any interest.

23 OTHER OPERATING INCOME

		2009 Rupees	2008 Rupees
Income from financial assets			
Net exchange gain		-	1,021,084
Reversal of provision for doubtful debts	Note: 9.1	5,039,735	-
Interest income		5,101,219	945,062
		10,140,954	1,966,146
Income from non financial assets			
Scrap sale		451,203	2,485,046
Other operating income		10,592,157	4,451,192

24 FINANCIAL COST

		2009	2008
Interest on workers' profit participation fund	Note: 17.2	182,877	451,756
Bank charges		398,190	258,429
Commission on guarantees		82,502	-
Commission on LC's		9,750	-
Financial cost		673,319	710,185

25 OTHER OPERATING EXPENSES

		2009 Rupees	2008 Rupees
Workers' profit participation fund		4,085,020	704,959
Workers' welfare fund		1,237,163	345,685
Loss on disposal of vehicle	Note: 6.3	11,485	152,680
Net exchange loss		7,341,615	-
Other operating expenses		12,675,283	1,203,324

26 INCOME TAX EXPENSE

	2009	2008
- for the year	21,760,572	6,027,183
- deferred	2,775,835	(518,160)
Income tax expense	24,536,407	5,509,023

26.1 Relationship between tax expense and accounting profit:

	2009	2008
Accounting profit	76,366,739	12,338,348
Tax rate	35%	35%
Tax on accounting profit	26,728,359	4,318,422
Tax effect of amount not admissible for tax purposes	1,927,944	3,924,535
Tax effect of depreciation and bad debt - admissible for tax purposes	(1,807,664)	(2,215,774)
Tax effect of gratuity paid and lease hold land - admissible for tax purposes	(5,088,066)	-
Tax impact of deferred tax charged	2,775,835	(518,160)
Actual tax expense net	24,536,408	5,509,023

27 EARNING PER SHARE - BASIC AND DILUTED

	2009	2008
Profit for the year - Rupees	51,830,332	6,829,325
Number of ordinary shares outstanding during the year	6,582,600	6,582,600
Earnings per share-Rupees	7.87	1.04

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

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	Chief Executive		Directors		Executive	
	2009	2008	2009	2008	2009	2008
	Rupees		*Rupees*		*Rupees*	
Managerial remuneration	1,409,453	1,049,697	1,681,644	1,305,062	1,141,935	1,141,935
House rent allowance	634,254	472,364	756,740	587,278	513,871	513,871
Utilities/others	-	104,970	-	130,506	-	114,194
Medical allowance	140,945	104,970	168,164	130,506	114,194	114,194
Bonus	96,774	64,516	119,355	87,097	212,942	88,710
	2,281,426	1,796,517	2,725,903	2,240,449	1,982,942	1,972,904
Number of persons	1	1	3	3	1	1

In addition to the above, the Chief Executive is also provided with free use of Company's maintained car and other perquisites including reimbursable travelling of Rs. 553,443 as per the Company rules.

Executive means any employee whose basic salary exceeds Rs. 500,000 (2008: Rs. 500,000) per year.

29 RELATED PARTY TRANSACTIONS

The Company's related parties included its associated undertaking and key management personnel:

Details of transactions with related perties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

29.1 Transactions with associated undertaking/related party

	2009 Rupees	2008 Rupees
Rent, rate and taxes	327,959	335,412
Electricity, gas and water	503,935	623,576
Repair and maintenance	625,384	843,486
Postage, telex and telephone	131,519	257,194
Entertainment and staff welfare	493,272	400,001
Marketing expenses	39,825,555	16,848,716
Plant and machinery	-	2,079,543

29.2 Transactions with key management personnel

The transaction with key personnel are disclosed in note 28.

29.3 Transactions with others

Employees' gratuity	2,491,835	2,047,148
Workers' profit participation fund	4,085,020	704,959
Workers' welfare fund	1,237,163	345,684

Contribution and accruals in respect of employees' benefit obligation are made in accordance with actuarial valuations (refer to note 16).

30 PLANT CAPACITY

As such the plant capacity can not be determined. Utilization of plant capacity depends upon total market demand and market share held.

31 CONTINGENCIES AND COMMITMENTS

		2009 Rupees	2008 Rupees
Bank guarantees	Note: 31.1	23,918,790	24,073,790

31.1 These represent Performance bonds/bid bonds issued in favour of various customers for the supply of goods and performance of services through NIB Bank Limited with a total sanctioned limit of Rs. 13 million with outstanding balance of Rs. 10.283 million as at the balance sheet date. The facility is secured against cash margin of 20% (2008: 20%) on bid bonds, 20% (2008: 20%) on performance bonds and 30% on Advance Guarantee Payments (AGPs), first mortgage charge of Rs. 30 million over Companys' fixed assets and first hypothecation charge of Rs. 100 million over companys' future and current book debts and receivable and stock of raw material/in process/finished and unfinished goods and equipment/tools etc.

Further, there are outstanding guarantees issued by Bank Alfalah Limited amounting to Rs. 13.6 million (2008: Rs. 13 million) on behalf of the Company, in favour of various Government and other organizations. This facility is secured by cash margin of Rs. 4.47 million (2008: Rs. 4.474 million) and second ranking hypothecation charges of Rs. 30 million (2008: Rs. 30 million) on the book value of the account receivable of the Company dated March 06, 2004.

31.2 An execution petition for the formulation of decree for recovery of contractual/awarded amount and penalty aggregating Rs. 7.43 million, has been instituted by Saudi Relief Committee for Afghanistan against the Company before the Court of Civil Judge, Islamabad. The case has been fixed for hearing on October 13, 2009 and management, based on opinion of the legal advisor, is hopeful of a positive decision in its favour. Consequently, no provision has been made in these financial statements for payment of the contractual/awarded amount and the penalty.

32 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchanges rates, market interest rates, credit and liquidity risk associated with various financial assets and liabilities respectively as stated in note 32.7.

The Company finances its operations through equity, short-term borrowings and management of working capital with a view to maintaining a reasonable mix and to minimise risk.

Taken as a whole, risks arising from the Company's financial instruments are limited as there is no significant exposure to risk.

32.1 Foreign currency sensitivity

Most of the Company's transactions are carried out in Pak Rupees. Exposures to currency exchange rates arise from the Company's receivables, payables and balances with banks, which are primarily denominated in other than Pak Rupees. The activities of the Company expose it to foreign exchange risk, primarily with respect of US Dollars.

To mitigate the Company's exposure to foreign currency risk, non-Pak Rupees cash flows are monitored in accordance with Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities, translated into Pak Rupees at the closing rate, are as follows:

	2009 Rupees	2008 Rupees
Financial assets	212,441,645	137,718,650
Financial liabilities	339,760,988	217,436,752
Short-term exposure	(127,319,343)	(79,718,102)
Financial assets	-	-
Financial liabilities	-	-
Long-term exposure	-	-

The following table illustrates the sensitivity of the net result for the year and equity with regards to Company's financial assets and liabilities and US Dollar - Pak Rupee exchange rate.

A + 12.94%/-9.29% change of the US Dollar exchange rate for the year ended June 30, 2009 (2008: 3.40%/-8.02%) has been considered. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on Company's foreign currency financial instruments held at each balance sheet date.

If the Pak Rupee had strengthened against the US Dollar by 12.94% (2008: 3.40%), then this would have had the following impact:

	2009 Rupees	2008 Rupees
Net result for the year	18,874,827	2,706,636

If the Pak Rupee had weakened against the US Dollar by 9.29% (2008: 8.02%), then this would have had the following impact:

	2009 Rupees	2008 Rupees
Net result for the year	(13,545,902)	(6,396,344)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above has been considered to be representative of the Company's exposure to current risk.

32.2 Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company does not have any borrowings. The Company is exposed to change in market interest rate through fund utilized out of workers' profit participation fund (WPPF) and saving accounts in bank, which are subjected to variable interest rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +2.21% and -2.35% (2008: 16%/-5%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on Company's financial instruments held at each balance sheet date.

	Profit for the year Rupees		Equity Rupees	
	2.21%	-2.35%	2.21%	-2.35%
June 30, 2009	(55,153)	58,475	-	-
June 30, 2008	337,575	103,586	-	-

However, these impacts are immaterial and insignificant for the Company regarding interest risk.

32.3 Other price risk sensitivity

The Company is exposed to other price risk (Stock Exchange index variations etc) in respect of its investment in United Islamic Income Fund (refer to note: 11). A change in market return will effect the Companys' return on United Islamic Units.

For investment in United Islamic Income Fund, an average volatility of 3.17% has been observed during 2009 (2008: 1.63%). If the Unit price for these funds increased or decreased by that amount, gain on remeasurement of available for sale assets would have changed by Rs. 523,071 (2008: Rs. 260,614).

32.4 Credit risk analysis

Credit risk represents the accounting loss that would be recognized on the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its trade debts, advances, deposits and other receivables and balances with banks. The credit risk on liquid funds is limited as the counter parties are banks with reasonably good credit ratings. The Company believes that it is not exposed to major concentration of credit risk. Out of the total financial assets of Rs. 464,008,942 (2008: Rs. 272,824,780), the financial assets of Rs. 464,001,332 (2008: Rs. 272,818,542) are subjected to credit risk as explained in note 32.7.

		2009 Rupees	2008 Rupees
Classes of financial assets - carrying amounts			
Available for sale financial assets	Note: 11	16,487,720	15,959,526
Bank balances	Note: 13	226,430,724	114,393,885
Trade and other receivables		221,082,888	142,465,131
		464,001,332	272,818,542

The Company's management continuously monitors defaults of customers and other counterparties, identified either individual or by group. Where available at reasonable cost, external credit ratings or reports on customers and other counterparties are obtained and used. The company's policy is to deal only with creditworthy counterparties.

Management considers that all the above financial assets that are not impaired for each of the reporting dates under review are good credit quality, including those that are past due.

Financial assets due but not impaired are as follows:

	2009 Rupees	2008 Rupees
Not more than 3 months	107,790,076	62,221,194
More than 3 months but not more than 6 months	60,598,252	28,933,211
More than 6 months but not more than 1 year	29,448,459	33,707,107
More than 1 year	8,160,451	3,595,879
	205,997,238	128,457,391

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristic. Trade receivables consists of large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counter parties are reputable banks with high quality credit ratings.

32.5 Liquidity risk analysis

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash flow management and planning policy to ensure the availability of funds and to take appropriate measures for new requirements.

Company maintains cash and marketable securities to meet its liquidity requirement for thirty (30) days period. Funding for long term liquidity needs is additionally secured by an adequate amount of committed credit facility from financial institutions and Company's directors.

At Balance Sheet date, the Company's liabilities have contractual maturities which are summarised below.

June 30, 2009		Current		Non - current	
		Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Trade payables	Note: 17	-	368,466,297	-	-
Other short term financial liabilities		-	10,100,285	-	-
		-	378,566,582	-	-

This compared to the maturity of Company's financial liabilities in the previous reporting period as follows:

June 30, 2008		Current		Non - current	
		Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Trade payables	Note: 17	-	217,553,133	-	-
Other short term financial liabilities		-	5,192,578	-	-
		-	222,745,711	-	-

The above contractual maturities reflect the gross cash flows, which may differ with the carrying values of the liabilities at the balance sheet date.

32.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and service charge out rate will effect the Company's incomes or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures with in acceptable parameters, while optimizing the return on risk.

32.7 Summary of financial assets and liabilities by category

The carrying amounts of the Company's financial assets and liabilities are recognized at the balances sheet date of the reporting period under review may also be categorized as follow:

		2009 Rupees	2008 Rupees
Financial assets			
Available for sales assets financial assets			
- Short term investment	Note: 11	16,487,720	15,959,526
Loans and receivables			
- Trade debts	Note: 9	205,997,238	128,457,391
- Others		15,085,650	14,007,740
- Cash and bank balances	Note: 13	226,438,334	114,400,122
		464,008,942	272,824,780
Financial liabilities			
Financial liabilities measured at amortized cost			
- Creditors	Note: 17	368,466,297	217,553,133
- Others payables		10,100,285	5,192,578
Due to associated company	Note: 18	7,713,817	83,085
Unclaimed dividend		3,360,155	3,360,594
		389,640,554	226,189,389

33 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Company is not subject to any externally imposed capital requirements.

Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity plus reserve and debts less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting periods under review is summarised as follows:

	2009 Rupees	2008 Rupees
Total equity	129,976,685	77,618,159
- Cash and bank balances	226,438,334	114,400,122
Capital	(96,461,649)	(36,781,963)
Total equity	129,976,685	77,618,159
Overall financing	129,976,685	77,618,159
Capital-to-overall financing ratio	(0.76)	(0.47)

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

34 NUMBER OF EMPLOYEES

	2009 Rupees	2008 Rupees
Number of employees at the year end	68	79

35 CORRESPONDING FIGURES

For the purposes of better presentation, following reclassifications have been done in the current year. Corresponding figures have also been reclassified:

Particulars	From	To
Administrative and selling expenses	Administrative and selling expenses	Selling and distribution expenses Adminsitrative expenses
Gain/(Loss) on sale of vehicles	Other income	Other operating expenses

36 DATE OF AUTHORIZATION FOR ISSUE

No adjusting or significant non adjusting events have been occurred between balance sheet date and date authorization on October 07, 2009 by board of directors.

CHIEF EXECUTIVE

DIRECTOR

PROXY FORM

The Secretary,
ADOS Pakistan Limited
88, Khayaban-e-Iqbal,
Sector F-8/2,
Islamabad.

I, We ____
of ____
in the district of ______________________________ being a member
ADOS Pakistan Limited and a holder of ____________________
Ordinary Shares as per Share Register

No. of Shares ____________________________________
Folio No. ____
Here by appoint ______________of______________________ in the district
of ____________________or failing him______________________
______________________ of ______________________
as my/our proxy to vote for me/us on my/our behalf at the 24th Annual General Meeting of the company to be held on ______________________
______________________________and at any adjournment thereof.
Signed this ________________day of______________________ 2009.

Signature on
One Rupee
Revenue Stamp

(Signature of Proxy)
Signature should agree with the
Specimen signature registered with the company.

NOTE:

1. A member entitled to attend and vote at Annual General Meeting may appoint another member, as his/her proxy to attend and vote on his/her behalf.
2. The instrument appointing proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of power of attorney must be deposited at the registered office of the Company at least 48 hours before the meeting.
   For Beneficial Owners as per CDC List
   In addition to the above the following requirements have to be met:
3. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be submitted with the Company prior to the meeting.
4. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
5. The proxy shall produce his original NIC or passport at the time of the meeting.
6. In case of a corporate entity, the Board of Director's Resolution/ Power of attorney with specimen signatures shall be submitted along with proxy form to the Company.