

DIRECTORS REPORT

The Board of Directors of Johnson & Phillips (Pakistan) Limited present to you the un-audited financial statements for the period ended March 31, 2017.

This has been another Quarter of declining sales. The company is striving hard to increase its order book in spite of declining FDI and a stagnant economy. International price of oil has come down , but its impact has not been allowed to reach the consumers because of imposition of additional taxes, resulting in an upward trend in prices of essential raw materials, which has had an unfavorable impact on our bottom line.

The management while trying to sustain itself in present business is focusing on restructuring of the Company which will bear fruit in the near future.

The Board would like to thank its valued customers, suppliers and shareholders for their continued trust and support.

For and on behalf of Board of Directors

**Karachi
Dated: April 26th, 2017**

**Shehryar Saeed
(Chief Executive)**

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2017

Un-Audited Audited
March 31, 2017 June 30, 2016
(Rupees in thousand)

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment
Long term investments
Long term deposits

177,376	184,009
-	-
940	940
178,316	184,949

CURRENT ASSETS

Stock-in-trade
Trade debtors
Loans and advances
Deposits, prepayments and others receivable
Advance income tax-net of provision
Cash and bank balances

33,196	42,650
15,032	6,372
25,935	16,289
3,354	6,776
3,072	2,315
110	1,082
80,699	75,484

TOTAL ASSETS

259,017	260,433
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EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorised

8,000,000 (June 2015: 8,000,000) ordinary shares of Rs. 10 each

Issued, subscribed and paid-up capital

Share premium reserve

General reserves

Unappropriated loss

-	-
80,000	80,000
54,500	54,500
29,727	29,727
23,073	23,073
(315,211)	(279,054)

SHARE HOLDERS' EQUITY

(207,911)	(171,754)
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Surplus on revaluation of property, plant and equipment

168,630	173,962
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NON-CURRENT LIABILITIES

Long term borrowings

Deferred liabilities - staff gratuity

80,159	81,582
12,868	12,862

CURRENT LIABILITIES

Trade and other payables

Short term borrowings

Current and over due portion of long term borrowings

Mark up accrued

Unclaimed dividend

190,673	155,513
2,851	-
4,000	4,000
3,479	-
4,268	4,268
205,270	163,781

Contingencies and commitments

-	-
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TOTAL EQUITY AND LIABILITIES

259,017	260,433
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The annexed notes form an integral part of these financial statements.

Chief Executive

Director

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

	Note	Nine Months Ended March 31		Quarter Ended March 31	
		2017	2016	2017	2016
----- (Rupees in thousand) -----					
Sales and services (net)	8	21,692	18,761	5,019	2,421
Cost of sales and services	9	(34,779)	(36,555)	(11,415)	(15,288)
Gross profit		(13,087)	(17,794)	(6,396)	(12,867)
Distribution cost	11	(1,151)	(2,625)	(202)	(987)
Administrative expenses	10	(23,916)	(18,063)	(4,729)	(4,577)
Other operating income	12	467	53	155	27
		(24,600)	(20,634)	(4,776)	(5,536)
Operating (loss)/profit		(37,687)	(38,428)	(11,172)	(18,403)
Finance cost	13	(3,557)	(3,554)	(1,163)	(1,187)
(Loss)/profit before taxation		(41,244)	(41,982)	(12,335)	(19,590)
Taxation		(244)	(401)	(7,764)	(234)
Loss after taxation		(41,489)	(42,383)	(20,099)	(19,823)
Earnings per share - basic and diluted		(7.61)	(7.78)	(3.69)	(3.64)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

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

	<u>Nine months ended March 31</u>		<u>Quarter ended March 31</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	----- (Rupees in thousand) -----			
Loss after taxation	(41,489)	(42,383)	(20,099)	(19,823)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(41,489)	(42,383)	(20,099)	(19,823)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

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

	Issued, subscribed and paid-up capital	Capital reserve Share Premium	General reserve	Revenue reserve Un appropriated loss	Total
----- (Rupees in thousand) -----					
Balance as at July 01, 2015	54,500	29,727	23,073	(230,381)	(123,081)
Loss for Nine months	-	-	-	(42,383)	(42,383)
Transfer from surplus on revaluation of fixed assets		-	-	-	-
Balance as at March 31, 2016	54,500	29,727	23,073	(272,764)	(165,464)
Balance as at July 01, 2016	54,500	29,727	23,073	(279,054)	(171,754)
Loss for Nine months	-	-	-	(41,489)	(41,489)
Transfer from surplus on revaluation of fixed assets		-	-	5,332	5,332
Balance as at March 31, 2017	54,500	29,727	23,073	(315,211)	(207,911)

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	March 31	
	2017	2016
	(Rupees in thousand)	
CASH FLOWS FROM OPERATIONS		
Loss before taxation	(41,244)	(41,982)
Adjustment for:		
Depreciation	6,608	6,626
Provision for staff gratuity	-	-
Gain on disposal of property, plant and equipments	-	-
Finance cost	(3,557)	3,554
Operating (loss)/profit before working capital changes	(38,193)	(31,802)
(Increase) / decrease in current assets		
Stock -in-trade	9,454	(1,175)
Trade debtors	(8,660)	(6,943)
Loans and advances	(9,646)	(5,743)
Deposits, prepayments and other receivable	3,422	(1)
	(5,430)	(13,861)
(Decrease)/increase in current liabilities		
Trade and other payables	35,146	45,793
	(8,478)	130
Gratuity paid	(605)	-
Taxes paid	(1,001)	(401)
Financial cost paid	7,036	(3,554)
Net cash (used in)/ generated from operating activities	(3,048)	(3,955)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipments investment activities, proceeds from disposal of assets	-	-
Long term deposits	-	-
Net cash generated from (used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	(1,423)	-
Repayment of short term borrowings	2,851	2,157
Net cash generated from (used in) financing activities	1,428	2,157
Net (decrease)/increase in cash and cash equivalents	(1,621)	(1,668)
Cash and cash equivalents at beginning of the period	1,731	1,731
Cash and cash equivalents at end of the period	110	63

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2017

- 1 The Company was incorporated in Pakistan as a public limited Company on April 15, 1961 and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The registered office of the Company is situated at C-10 South Avenue, SITE, Karachi. The Company is principally engaged in manufacturing, installing and selling of electrical equipments. Ethridge Company Limited, held 2,719,536 (June 30, 2016: 2,719,536) ordinary shares Rs. 10 each of the Company as at period end, which constitute 49.90% of total shares issued.
- 2 These financial statements have been prepared using the same accounting policies as are applied in the preparation of the annual financial statements for the year ended June 30, 2016.
- 3 These financial statements have been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.
- 4 Provision for taxation are estimated. Final liability will be determined on the basis of annual results.
- 5 These financial statements were authorized for issue, by the Board of Directors on April 26th, 2017.
- 6 Corresponding figures have been re-arranged, where necessary, for the purpose of comparison.
- 7 Figures have been rounded-off to the nearest thousand of Rupees.

	Nine Months Ended March 31		Quarter Ended March 31	
	2017	2016	2017	2016
------(Rupees in thousand)-----				
8 SALES AND SERVICES (NET)				
Gross sales	21,718	18,830	5,019	2,473
Commission and discount on sales	(26)	(69)	-	(52)
	21,692	18,761	5,019	2,421
9 COST OF SALES AND SERVICES				
Raw materials and components consumed				
Opening stock	38,201	45,324	38,201	32,366
Purchases and sub contract cost	13,165	16,741	1,921	5,497
	51,366	62,065	40,122	37,863
Closing stock	(38,201)	(38,852)	(38,201)	(38,852)
	13,165	23,213	1,921	989
Salaries, wages and other benefits	6,729	6,855	2,282	2,408
Rent, rates and taxes	780	1,470	230	990
Insurance	-	-	-	-
Fuel and power	827	880	221	253
Repair and maintenance	168	149	23	43
Inspection and testing	8	5	1	-
Printing and stationery	32	29	9	11
Traveling and conveyance	166	167	18	53
Depreciation	5,287	5,301	1,762	-
Other manufacturing expenses	231	428	50	165
	14,228	15,286	4,596	3,924
	27,393	38,499	6,517	2,935
Work in process				
Opening stock	3,273	17,446	785	20,248
Closing stock	(1,989)	(13,357)	(1,989)	(13,357)
	1,284	4,089	(1,204)	6,891
Cost of goods manufactured	28,677	42,588	5,313	9,826
Finished goods				
Opening stock	7,468	1,220	7,468	12,715
Closing stock	(1,366)	(7,253)	(1,366)	(7,253)
	6,102	(6,033)	6,102	5,462
	34,779	36,555	11,415	15,288

	Nine Months Ended March 31		Quarter Ended March 31	
	2017	2016	2017	2016

-----**(Rupees in thousand)**-----

10 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	6,010	4,184	1,837	1,447
Traveling and conveyance	894	1,043	232	437
Legal and professional charges	1,342	195	557	44
Rent, rates and taxes	780	1,470	230	480
Repair and maintenance	294	326	97	137
Printing and stationery	355	301	54	19
Postage, telegram, telephone and telex	479	566	155	147
Light and power	578	1,307	101	343
Entertainment	192	270	48	71
Donation	6	-	-	-
Subscriptions and periodicals	858	589	453	104
Advertisement	5	44	-	8
Auditors' remuneration	389	71	(7)	71
Annual General Meeting	116	100	116	100
Insurance	-	-	-	-
Provision for doubtful loans and advances	9,170	5,104	-	-
Provision for doubtful debts	-	-	-	-
Depreciation	1,322	1,325	441	442
Write off other advances	-	-	-	-
Others	1,126	1,165	415	727
	23,916	18,063	4,729	4,577

11 DISTRIBUTION COST

Salaries, wages and benefits	602	1,059	117	392
Late delivery charges and penalties	314	1,298	-	511
Advertising and sales promotion	3	31	-	1
Traveling and conveyance	56	30	16	15
Subscriptions and periodicals	45	57	15	30
Repair and maintenance	60	19	42	12
Insurance	-	-	-	-
Entertainment	26	50	5	17
Printing and stationery	1	21	-	6
Others	45	60	6	3
	1,151	2,625	202	987

12 OTHER INCOME

Gain on disposal of fixed assets	-	-	-	-
Liabilities written back	-	-	-	-
Markup on saving accounts	1	1	0	0
Other receipts/Income	466	53	155	27
	467	53	155	27

13 FINANCIAL COST

Mark-up on unsecured long term borrowings	3,525	3,525	1,156	1,174
Mark-up on invoices discounting	-	-	-	-
Mark-up on finance lease	-	-	-	-
Bank charges and commission	32	29	7	12
	3,557	3,554	1,163	1,187

Chief Executive

Director