



Johnson & Phillips (Pakistan) Limited

December 31st,

2020

Half Yearly Account
(Un-Audited)



Our V i s i o n

To achieve
market leadership
in
our core business
build on innovative technology,
deliver quality products
at
competitive prices
and
maintain our history of pioneering

Our M i s s i o n

- Continuous improvement in our operating standards, anticipating and meeting our customers' expectation.

- Eager to learn, strive to succeed and keen to please

- Aim high, stay focused and leave nothing to chance.

- To provide, career growing opportunities to the talented professionals.

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COMPANY INFORMATION

Board of Directors

Mrs. Zainab Anis Mianoor	Chairman
Mr. Anis Mianoor	Director/CEO
Mr. Umair Mianoor	Director
Mr. Amin Khanani	Director
Mr. Usman Mianoor	Director
Mr. Hanif Chamdia	Director
Mrs. Uroosa Mianoor	Director

Board of Audit Committee

Mr. Amin Khanani	Chairman
Mr. Umair Mianoor	Member
Mrs. Uroosa Mianoor	Member

Board of HR Committee

Mr. Hanif Chamdia	Chairman
Mr. Usman Mianoor	Member
Zainab Anis Mianoor	Member

Chief Financial Officer (CFO) Mr. Syed Muhammad Shahid

Company Secretary Mr. M. Hanif Hussain

Internal Auditor Mr. Tariq Ilyas

Legal Advisor Mr. Muhammad Yousuf (Advocate)

Auditors M/S. Reanda Haroon Zakaria & Company.
Chartered Accountants,
Room No. M1-M4, Mezzanine Floor, Prograsive Plaza,
Plot No. 5-C1-10, Civil Lines Quarter, Beaumont Road,
Near Dawood Centre, Karachi-75530, Pakistan.

Share Registrar C & K Management Associates (Pvt) Ltd.
404, Trade Tower, Abdullah Haroon Road,
Near Metropole Hotel, Karachi-75530

Bankers Habib Metropolitan Bank
Silk Bank Ltd.
Soneri Bank Ltd.

Registered Office

C-10, South Avenue, SITE, Karachi-75700
Tel: 092-21-32560030-7 Fax: 092-21-32564603
Website: www.johnsonphillips.pk
E-mail: Johnsonphillips@cyber.net.pk

DIRECTORS' REVIEW

The Board of Directors would like to present the condensed, un-audited financial statements of the Company for the six months period ended December 31, 2020.

FINANCIAL HIGHLIGHTS

The comparative financial highlights of the Company for the six months period ended December 31, 2020 and December 31, 2019 are as follows:

	2020	2019
	Rupees in '000'	
(Loss) for the year before taxation	(5,080)	(40,754)
Out of which the Directors have accounted		
For taxation – current	562	8,410
Accumulated (Losses) brought forward	(464,036)	(397,310)
Accumulated Losses carried over to Balance Sheet	(467,179)	(441,971)
Earnings per share – basic and diluted	(0.83)	(5.93)

BUSINESS REVIEW/PERFORMANCE

The Sales – net for the half year was Rs. Nil as compared to Rs.1.470 million for the corresponding period of last year. The cost of sales for the year was Rs. 2.023 million as compared to Rs.5.688 million.

The Gross loss of the Company was Rs. (2.023) million against a loss of Rs.(4.218) million in the corresponding period of the last year. The Company's Distribution cost, Administrative expenses and finance cost during the six months period ended December 31, 2020 was Rs. 3.059 million as against Rs.17.954 million in the corresponding period of previous year. The Company is in process of reorganizing its activities.

A loss after tax of Rs.(4.518) million was reported for the six months period ended December 31, 2020 compared to a loss after tax of Rs. (32.344) million in the corresponding period. Management of your Company is making concerted efforts and continues to endeavour to achieve improved performance in the future.

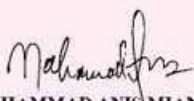
FUTURE PLAN

COVID-19 has created havoc not only in Pakistan but across the globe. The new management has been constantly on the go to settle and resolve outstanding issues left by the old management. It has not been easy; however, the company is committed to taking on these challenges and delivering profitable growth by planning to install weaving manufacturing unit. We request all our stakeholders to please pray for our success.

ACKNOWLEDGEMENT

We are thankful to our bankers, shareholders and suppliers for their continued support. We also appreciate our staff for their relentless dedication to resolve the outstanding issues.

ON BEHALF OF THE BOARD OF DIRECTORS


MUHAMMAD ANIS MIANOOR
 Chief Executive Officer
 Karachi: February 26, 2021


MRS. ZAINAB ANIS MIANOOR
 Chairman

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والی چھ ماہ کی مدت کے لئے کمپنی کے غیر آڈٹ شدہ مالی چیدہ چیدہ تفصیل بیان کرنا چاہیں گے جو کہ مندرجہ ذیل ہیں۔

مالیاتی جھلکیاں

2019	2020
.....'000' میں روپے'000' میں روپے
(40,754)	(5,080)
8,410	562
(397,310)	(464,036)
(441,971)	(467,179)
(5.93)	(0.83)

ٹیکس سے قبل چھ ماہ کا (نقصان)

جس میں ڈائریکٹرز کا حساب کتاب ہے

ٹیکس کی رقم

پچھلا جمع (نقصان) آگے لایا گیا

کل جمع کئے گئے نقصانات بیلنس شیٹ میں آگے لایا گیا

فی شیئر (نقصان)۔ بنیادی و کمزور

کاروباری جائزہ اور کارکردگی

اس آدھے سال کی فروخت پچھلے سال کی فروخت 1.470 ملین روپے کے مقابلے میں معزری جبکہ اس مدت کی لاگت 2.023 ملین روپے تھی۔ مقابلے پچھلے اس مدت کی فروخت کی لاگت 5.688 ملین روپے کے کمپنی کا مجموعی خسارہ (2.023) ملین روپے رہی جبکہ پچھلے سال اسی مدت کے لئے یہ خسارہ (4.218) ملین روپے تھی۔ کمپنی کی ترسیل، انتظامی و مالیاتی خرچ اس چھ ماہ کی مدت میں 3.059 ملین روپے رہا جبکہ پچھلے سال اسی مدت کے لئے یہ اخراجات 17.954 ملین روپے تھے۔

اس بار چھ ماہ کی مدت کے لئے ٹیکس کی رقم منہا کرنے کے بعد نقصان (4.518) ملین روپے رہی جبکہ پچھلے سال اسی مدت کے لئے یہ نقصان (32.344) ملین روپے تھی۔

مستقبل کا منصوبہ

کوویڈ-19 نے نہ صرف پاکستان بلکہ پوری دنیا میں تباہی مچا دی ہے جسے انتظامیہ پر اپنی نظامیہ کے چھوڑے ہوئے مسائل کو بڑی ننگ دہی سے حل کرنے میں لگنی ہوئی ہے۔ جیسا کہ آپ جانتے ہیں کہ یہ آسان کام نہیں ہے پھر بھی کمپنی کا عہدہ اور اہم اور اہم مسائل کا سامنا کرنے لگی اور انشاء اللہ حل کرے گی لہذا کمپنی نے ان تمام مسائل کا سامنا کرتے ہوئے کمپنی کے نقصانات کو کم کر کے منافع بخش بنانے کے لئے ایک پوجیٹک باک میٹریجنگ بینک پونٹ لگانے کی منصوبہ بندی کی ہے۔ لہذا آپ تمام اسٹیک ہولڈرز سے ہماری کامیابی کے لئے دعا کی درخواست ہے۔

اعتراف

ہم اپنے تمام مالیاتی ادارے شری ہولڈرز و سپلائرز کے مسلسل تعاون کے لئے ان کے مشکور ہیں۔ ساتھ ہی ہم بتایا مسائل کے حل کرنے کے لئے ہمارے اپنے عمل کی انتھک لگن و کوششوں کی بھی تعریف کرتے ہیں۔

انتظامیہ کی جانب سے۔

Jainab

مسز زینب انیس میا نور
چیف ایگزیکٹو

Mahmood

محمد انیس میا نور
چیف ایگزیکٹو آفیسر

کراچی، 26 فروری 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JOHNSON & PHILLIPS (PAKISTAN) LIMITED
ON THE REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Introduction

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

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- We could not conclude about the existence, obligation and completeness of trade and other payables from counter to the extent of Rs. 23,573 million, out of the total balance amounting to Rs. 23,901 million.
- We could not conclude about the existence, obligation, completeness and classification of short-term borrowing from former directors, long term loans from related parties including current maturities and markup accrued on long term loans amounting to Rs. 8,848 million, Rs. 31,831 million and Rs. 59,737 million, respectively

Qualified conclusion

Based on our review, except for the possible adjustments to the interim financial information that we might have become aware of, had we been able to conclude about the matters described in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the international financial reporting standards.

Emphasis of Matter

During the half year ended December 31, 2020, the Company has incurred loss after taxation amounting to Rs. 4,520 (December 31, 2019: Rs. 32,344) million, rising its accumulated losses to Rs. 467,181 (June 30, 2020: Rs. 464,036) million. Further, current liabilities of the Company exceeded its current assets by Rs. 360,615 (June 30, 2020: Rs. 357,807) million.

These factors, together with the other factors as disclosed in note no. 1.3 to the accompanying financial statement indicate the existence of material uncertainty over the Company's ability to continue as a going concern and accordingly, the Company may not be able to realize its assets and settle its liabilities at stated amounts in the normal course of business and also discusses the reasons for these condensed interim financial statements on a going concern basis.

The engagement partner on the review resulting in this independent auditor's report is **Mohammad Iqbal**.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: February 26, 2021

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2020

		<i>December 31, 2020 (Unaudited)</i>	<i>June 30, 2020 (Audited)</i>
	<i>Note</i>	<i>--- (Rupees in '000) ---</i>	
ASSETS			
Non Current Assets			
Property, plant and equipment	5	473,162	475,433
Intangible asset	6	-	-
Long term investments	7	-	-
Long term deposits		317	317
		473,479	475,750
Current Assets			
Loans, advances and prepayments		127	68
Tax refunds due from the Government	8	3,369	3,254
Cash and bank balances		4,454	1,793
		7,950	5,115
Total Assets		481,429	480,865
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized capital		80,000	80,000
Issued, subscribed and paid-up capital		54,500	54,500
Share premium reserve		29,727	29,727
Surplus on revaluation of property, plant and equipment	9	466,129	467,504
General reserve		23,073	23,073
Accumulated losses		(467,179)	(464,036)
Total shareholders' equity		106,250	110,768
Non Current Liabilities			
Long term loans	10	-	-
Deferred liabilities	11	6,613	7,175
		6,613	7,175
Current Liabilities			
Current maturity of long term loans	10	31,831	31,831
Trade and other payables	12	23,901	24,854
Short term borrowings	13	248,829	242,232
Accrued markup		59,737	59,737
Unpaid / unclaimed dividend		4,268	4,268
		368,566	362,922
Contingencies and commitments	14	-	-
Total Equity and Liabilities		481,429	480,865

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


Muhammad Anis Mianoor
 Chief Executive


Usman Mianoor
 Director


Sved Muhammad Shahid
 Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<i>Note</i>	----- (Rupees in "000")-----			
Sales	-	1,470	-	627
Cost of sales	15 (2,023)	(5,688)	(954)	(2,320)
Gross loss	(2,023)	(4,218)	(954)	(1,693)
Distribution cost	-	(253)	-	(126)
Administrative expenses	16 (3,059)	(11,317)	(1,911)	(4,704)
Operating loss	(5,082)	(15,788)	(2,865)	(6,523)
Finance cost	-	(6,384)	-	(2,988)
Other charges	-	(18,690)	-	-
Other income	<u>2</u>	108	<u>2</u>	2
Loss before taxation	(5,080)	(40,754)	(2,863)	(9,509)
Taxation - net	17 562	8,410	562	-
Loss after taxation	(4,518)	(32,344)	(2,301)	(9,509)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half year	(4,518)	(32,344)	(2,301)	(9,509)
Earning / (loss) per share - Rupees	18 (0.83)	(5.93)	(0.42)	(1.74)

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


Muhammad Anis Mianoor
 Chief Executive


Usman Mianoor
 Director


Syed Muhammad Shahid
 Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	<i>Share Capital</i>	<i>Share Premium Reserve</i>	<i>Surplus on revaluation of property, plant and equipment</i>	<i>General Reserve</i>	<i>Accumulated losses</i>	<i>Total shareholders' equity</i>
----- (Rupees in "000") -----						
Balance as at July 1, 2019	54,500	29,727	457,896	23,073	(413,026)	152,170
Total comprehensive loss for the half year ended December 31, 2019	-	-	-	-	(32,344)	(32,344)
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax- restated	-	-	(3,399)	-	3,399	-
Balance as at December 31, 2019	<u>54,500</u>	<u>29,727</u>	<u>454,497</u>	<u>23,073</u>	<u>(441,971)</u>	<u>119,826</u>
Balance as at July 1, 2020	54,500	29,727	467,504	23,073	(464,036)	110,768
Total comprehensive loss for the half year ended December 31, 2020	-	-	-	-	(4,518)	-
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax- restated	-	-	(1,375)	-	1,375	-
Balance as at December 31, 2020	<u>54,500</u>	<u>29,727</u>	<u>466,129</u>	<u>23,073</u>	<u>(467,179)</u>	<u>106,250</u>

Share premium reserve can only be utilized by the Company for the purpose specified in Section 81 of the Companies Act, 2017.

Surplus on revaluation of property, plant and equipment will be utilized for any purpose only after they are realized and transferred to unappropriated profits. However, these reserves can be individually offset against losses arising in future periods (if any) from revalued assets.

General reserves can be utilized for meeting any contingencies and for distribution of profit by way of dividend.

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


Muhammad Anis Mianoo
 Chief Executive


Usman Mianoo
 Director


Syed Muhammad Shahid
 Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	<i>Half year ended</i>	
	<i>December 31,</i>	
	<i>2020</i>	<i>2019</i>
<i>Note</i>	<i>----- (Rupees in '000) -----</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,080)	(40,754)
Adjustment for:		
Depreciation	5.1 2,271	3,981
Finance cost	-	6,384
Provision for obsolete / slow moving stock	-	1,956
Provision for doubtful debts	-	70
Provision for doubtful advances	-	88
Provision for doubtful sales tax refunds	-	16,576
Operating cash outflows before working capital changes	(2,809)	(11,699)
(Increase) / decrease in current assets		
Trade debts	-	95
Loans, advances and prepayments	(59)	(50)
Sales tax refundable	(93)	(28)
Increase / (decrease) in current liabilities		
Trade and other payables	(953)	5,249
	(1,105)	5,266
Cash used in operations	(3,914)	(6,433)
Income tax paid	(22)	(29)
Finance cost paid	-	(14)
	(22)	(43)
Net cash used in operating activities	A (3,936)	(6,476)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings received - net	6,597	6,463
Net cash generated from financing activities	C 6,597	6,463
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,661	(13)
Cash and cash equivalents at the beginning of the period	1,793	219
Cash and cash equivalents at the end of the period	4,454	206

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


Muhammad Anis Mianoor
 Chief Executive


Usman Mianoor
 Director


Sved Muhammad Shahid
 Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 STATUS AND NATURE OF BUSINESS

- 1.1** Johnson and Phillips (Pakistan) Limited (the Company) was incorporated in Pakistan as a public limited company on April 15, 1961 under the repealed Companies Act, 1913 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited - PSX. However, trading in the shares held by the sponsors of the Company is suspended and the Company has been placed on the Defaulters' Segment by the PSX w.e.f. November 15, 2019 due to the non-compliance of certain provisions of the PSX Rule Book.

The Company is principally engaged in manufacturing, installation and selling of electrical equipment. The registered office of the Company and its manufacturing facilities are situated at C-10, South Avenue, SITE, Karachi.

1.2 Impact of COVID-19 on the financial statements

Management has thoroughly evaluated the effects of COVID-19 on the operations of the Company and concluded that there are no material implications of COVID-19 that could have required any disclosure in these condensed interim financial statements, other than the fact that the COVID-19 has delayed the materialization of revival plans of the new management.

1.3 Going concern

During the period ended December 31, 2020, the Company has incurred loss after taxation amounting to Rs. 4,518 (December 31, 2019: Rs. 32,344) million, rising its accumulated losses to Rs. 467,179 (June 30, 2020: Rs. 464,036) million. Further, current liabilities exceeded its current assets by Rs. 360,616 (June 30, 2020: Rs. 357,807) million. The operations of the Company, including its revenue, are facing downward trajectory since financial year 2015 due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. The Company is reporting meagre sales since then and is totally dependent on the financial support of its Directors, sponsors and associated companies.

These factors indicate the existence of material uncertainty over the Company's ability to continue as a going concern and accordingly, the Company may not be able to realize its assets and settle its liabilities at stated amounts in the normal course of business. However, the management has prepared these condensed interim financial statements on a going concern basis due to the following reasons:

- The Company has revaluation surplus on fixed assets amounting to Rs. 466,129 million as on the reporting date.
- The Company already has rescheduled long term and short term borrowings with its related parties, including repayment of principal and accumulated mark-up thereon.
- New management of the Company, under the leadership of CEO Mr. Anis Mianoor, has taken over the affairs of the Company with effect from April 01, 2020, with the firm intention and capabilities to revive the overall operations of the Company. In the first phase, the new management, with the financial support of new sponsor director, intends to settle the long outstanding dues of previous board members and their associated company and till the reporting date, new sponsor has settled Rs. 239,981 million in this regard. Other liabilities will also be paid off with the help of earnings from the revival of existing operations, injections of the funds from internal as well as external sources and continuing support from the new sponsor director.
- Even though that the COVID-19 has delayed the effectuation of revival plans, but the new management has firm intention and financial capabilities to start a new business segment of textile unit by injecting funds in the Company together with the revival of current business for which the detailed feasibilities and projections have already been prepared by the management, which are to be effectuated within this financial year.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the half year ended December 31, 2020 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act shall prevail.

- 2.2 The figures of condensed interim profit and loss account for the quarter ended September 30, 2020 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2020. These condensed interim financial statements do not include all the information and disclosures required in annual financial statements, which should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020.
- 2.3 These condensed interim financial statements have been prepared under the historical cost convention except leasehold land, building and plant and machinery which are stated at revalued amount.
- 2.4 These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. Figures have been rounded off to the nearest Rupees in thousands.
- 2.5 The comparative statement of financial position presented has been extracted from the annual financial statements for the year ended June 30, 2020, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

The accounting policies, applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2020.

Further, the Company has adopted the following standards, amended standards and interpretations of IFRSs which became effective during the current period:

- Amendments to IFRS 4 'Insurance contracts', IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments', IFRS 16 'Leases' and IAS 39 'Financial Instruments: Recognition and Measurement': Amendments regarding replacement issues in the context of the IBOR reform
- Amendments to IAS 1 'Presentation of Financial Statements': Amendment to defer the effective date of the January 2020 amendments regarding the classification of liabilities

The adoption of the above amendments and interpretation of the standards did not have any effect on these condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2020.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2020.

Half yearly Accounts (Un-Audited) December 31, 2020

		<i>(Un-audited)</i>	
		<i>December 31,</i>	<i>June 30,</i>
		<i>2020</i>	<i>2020</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>----- (Rupees in '000) -----</i>	
5	PROPERTY, PLANT AND EQUIPMENT		
	<i>5.1</i>		
	<i>Written down value as on July 01, 2020</i>	475,433	480,165
	Depreciation during the period / half year	5.2 (2,271)	(4,732)
		<u>473,162</u>	<u>475,433</u>
	<i>5.2</i>		
	<i>The depreciation charge for the period / half year has been allocated as follows:</i>		
	Cost of sales	15 1,817	3,786
	Administrative expenses	16 454	946
		<u>2,271</u>	<u>4,732</u>
6	INTANGIBLE ASSET		
	Computer software having cost amounting to Rs.129,000 is fully amortized	-	-
7	LONG TERM INVESTMENTS		
	<i>In shares of unquoted subsidiary companies - at cost</i>		
	<i>Johnson and Phillips Industries (Pakistan) Limited</i>		
	<i>Investment in shares</i>		
	3,000,000 fully paid ordinary shares of Rs. 10 each [Break-up value as at December 31, 2020 was Rs. nil (June 30, 2020 : Rs. nil)]. The Company held 100% of the investee's total equity.	30,000	30,000
	<i>Advance against share capital</i>	<u>20,000</u>	<u>20,000</u>
		50,000	50,000
	<i>Johnson & Phillips Transformers (Private) Limited</i>		
	2,099,995 fully paid ordinary shares of Rs. 10 each [Break-up value as at December 31, 2020 was Rs. nil (June 30, 2020: Rs. nil)]. The Company held 70% of the investee's total equity.	21,000	21,000
	<i>J & P EMO Pakistan (Private) Limited</i>		
	50,997 fully paid ordinary shares of Rs. 10 each [Break-up value as at December 31, 2020 was Rs. nil (June 30, 2020 : Rs. nil)]. The Company held 51% of the investee's total equity.	510	510
		<u>71,510</u>	<u>71,510</u>
	<i>Provision for diminution in value of investments</i>	(71,510)	(71,510)
		-	-

7.1 Breakup value per share as on the reporting date, based on the latest available un-audited financial statement for the period ended December 31, 2020 was Rs. nil (June 30, 2019: Rs. Nil) for all the subsidiaries

	<i>(Un-audited)</i>	
	<i>December 31,</i>	<i>June 30,</i>
	<i>2020</i>	<i>2020</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Note</i>	----- <i>(Rupees in '000)</i> -----	

8 TAX REFUNDS DUE FROM THE GOVERNMENT

<i>Income tax</i>	3,132	3,110
<i>Sales tax</i>	21,081	20,988
Less: Provision for doubtful sales tax refunds	(20,844)	(20,844)
	237	144
	3,369	3,254

9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

<i>Balance as at July 01, 2020</i>	474,679	479,189
Transfer to equity in respect of incremental depreciation - net of deferred tax	(1,375)	(3,202)
Related deferred tax liability on incremental depreciation	(562)	(1,308)
	(1,937)	(4,510)
	472,742	474,679
<i>Less: Related deferred tax liability</i>		
- at the beginning of the year	(7,175)	(8,483)
- on incremental depreciation for the half year	562	1,308
- at the end of the period / half year	(6,613)	(7,175)
	466,129	467,504

10 LONG TERM LOANS*Unsecured and interest bearing**From related parties*

Close family member of former director	10.1	8,408	8,408
Former director	10.2	20,377	20,377
Associated company	10.3	3,046	3,046
		31,831	31,831
<i>Less: Current portion of long term loans</i>	10.4	(31,831)	(31,831)
		-	-

10.1 The term of these loans are same as disclosed in the annual financial statements for the year ended June 30, 2020.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
11 DEFERRED LIABILITIES			
Staff retirement benefits - Gratuity		-	-
Deferred taxation	11.1	<u>6,613</u>	<u>7,175</u>
		<u>6,613</u>	<u>7,175</u>
11.1 Deferred taxation			
<i>Taxable temporary differences</i>			
Surplus on revaluation of fixed assets	9	6,613	7,175
<i>Deductible temporary differences</i>			
Accelerated tax depreciation		2,184	2,235
Available tax losses		93,369	92,407
Provisions		-	22
		<u>(95,553)</u>	<u>(94,664)</u>
		<u>(88,940)</u>	<u>(87,489)</u>
<i>Deferred tax asset not recognised</i>	11.1.1	<u>95,553</u>	<u>94,664</u>
		<u>6,613</u>	<u>7,175</u>

11.1.1 The management has not recognized the deferred tax asset on deductible differences as on the reporting date as the management is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
12 TRADE AND OTHER PAYABLES			
Trade creditors		5,066	5,066
Advance from customers - unsecured		8,638	8,638
Accrued liabilities		7,024	7,753
Payable to ex-employees		802	802
Provident fund payable	12.1	725	725
Unclaimed gratuity payable		745	850
Withholding tax payable		641	499
Others		260	521
		<u>23,901</u>	<u>24,854</u>

13 SHORT TERM BORROWINGS
- Unsecured and interest free

From related parties

New sponsor directors	13.1	239,981	233,384
Former directors	13.2	8,848	8,848
		<u>248,829</u>	<u>242,232</u>

13.1 This represents unsecured and interest free loan received from the new sponsor directors of the company which is repayable on demand.

13.2 This represents unsecured and interest free loan received from a former directors of the company which is repayable on demand.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There are no contingencies other than those as disclosed in the annual financial statement for the year ended June 30, 2020.

14.2 Commitment

Guarantee issued by a banking company on behalf of the Company against performance bond

<i>Half year ended</i>	
<i>December 31,</i>	
2020	2019
----- (Rupees in '000) -----	
1,745	1,745

15 COST OF SALES

Raw material consumed	15.1	-	237
Salaries, wages and other benefits		-	978
Fuel and power		206	374
Repair and maintenance		-	786
Traveling and conveyance		-	3
Depreciation	5.2	1,817	3,185
Other manufacturing expenses		-	125
		<u>2,023</u>	<u>5,688</u>
Work in process			
Opening stock		4,386	4,386
Closing stock		(4,386)	(4,386)
		<u>-</u>	<u>-</u>
		<u>2,023</u>	<u>5,688</u>
15.1 Raw material consumed			
Opening stock		34,158	34,158
Purchases during the year		-	237
		<u>34,158</u>	<u>34,395</u>
Closing stock		(34,158)	(34,158)
		<u>-</u>	<u>237</u>

16 ADMINISTRATIVE EXPENSES

Salaries and other benefits		903	3,902
Travelling and conveyance		-	278
Legal and professional		296	2,638
Rates and taxes		108	171
Repair and maintenance		-	1,282
Printing, stationery and postage		42	523
Utilities		383	333
Entertainment		-	95
Fees and subscription		650	985
Auditors' remuneration		138	123
Depreciation	5.2	454	796
Others		85	191
		<u>3,059</u>	<u>11,317</u>

16.1 Auditors' remuneration

Review of half yearly financial statements		85	75
Out of pocket expenses		8	8
Other services		45	40
		<u>138</u>	<u>123</u>

TAXATION - NET

17 Current		-	22
Prior		-	51
Deferred	11.1	(562)	(8,483)
		<u>(562)</u>	<u>(8,410)</u>

17.1 Return up to the tax year 2020 have been filed, which are deemed to be assessed under provision of the Income Tax Ordinance, 2001. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return, select any return for audit purpose.

18 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies including subsidiaries, directors and key management personnel of the company and its associates and their close family members. Year end balances relating to related parties are specifically disclosed in relative notes to these financial statements. Transactions with the related parties are as follows:

	<i>Half year ended</i>	
	<i>December 31,</i>	
	<i>2020</i>	<i>2019</i>
	<i>----- (Rupees in '000) -----</i>	
<i>Associated Company - Close family member of former director of the Company is a director of the associated company</i>		
<i>Elmetec (Pvt.) Limited</i>		
Long term loan obtained	-	4,563
Purchases	-	268
Markup charged	-	4,103
<i>Close family member of former director of the Company</i>		
<i>Faisal Bilal Qureshi</i>		
Markup charged	-	664
<i>Bilal Qureshi - former director of the Company</i>		
Markup charged	-	1,603
<i>Key Management Personnel of the Company</i>		
<i>Anis Mianoor - Director (79.81% shareholding)</i>		
Loan obtained	97	408
<i>Umair Mianoor - Director (0.01% shareholding)</i>		
Loan obtained	3,250	-
<i>Usman Mianoor - Director (0.01% shareholding)</i>		
Loan obtained	3,250	-
<i>Salman Ganny - former director of the Company (0.02% shareholding)</i>		
Short term loan obtained	-	1,493
<i>Shehryar Saeed - former CEO of the Company</i>		
Remuneration accrued	-	1,200
Other benefits accrued	-	420
	<i>December 31,</i>	
	<i>2020</i>	<i>2019</i>
	2	5
	2	7

19 NUMBER OF EMPLOYEES

Total employees as on the reporting date
Average employees during the year

DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on February 26, 2021 by the Board of Directors of the Company.


Muhammad Anis Mianoor
Chief Executive


Usman Mianoor
Director


Syed Muhammad Shahid
Chief Financial Officer

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF JOHNSON & PHILLIPS (PAKISTAN) LIMITED ON THE
REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of **Johnson & Phillips (Pakistan) Limited** ("the Holding Company") and its subsidiary companies naming **Johnson & Phillips Industries (Pakistan) Limited, Johnson & Phillips Transformers (Private) Limited and J & P EMO Pakistan (Private) Limited** as at December 31, 2020 and the related consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows, and notes to the consolidated condensed interim financial statements for the six-month period then ended [here-in-after referred to as the "consolidated condensed interim financial statements"]. Management is responsible for the preparation and presentation of this consolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review. The figures of these consolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- We could not conclude about the existence, obligation and completeness of trade and other payables from counter to the extent of Rs. 23.573 million, out of the total balance amounting to Rs. 23.901 million.
- We could not conclude about the existence, obligation, completeness and classification of short-term borrowing from former directors, long term loans from related parties including current maturities and markup accrued on long term loans amounting to Rs. 8.848 million, Rs. 31.831 million and Rs. 59.737 million, respectively

Qualified conclusion

Based on our review, except for the possible adjustments to the consolidated interim financial information that we might have become aware of, had we been able to conclude about the matters described in the basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with the international financial reporting standards.

Emphasis of Matter

During the half year ended December 31, 2020, the Group has incurred loss after taxation amounting to Rs. 4.518 (December 31, 2019: Rs. 31.748) million, rising its accumulated losses to Rs. 485.085 (June 30, 2020: Rs. 454.942) million. Further, current liabilities of the Company exceeded its current assets by Rs. 364.897 (June 30, 2020: Rs. 362.088) million.

These factors, together with the other factors as disclosed in note no. 1.6 to the accompanying consolidated condensed interim financial statement indicate the existence of material uncertainty over the Group's ability to continue as a going concern and accordingly, the Group may not be able to realize its assets and settle its liabilities at stated amounts in the normal course of business and also discusses the reasons for these consolidated condensed interim financial statements on a going concern basis.

The engagement partner on the review resulting in this independent auditor's report is **Mohammad Iqbal**.

Reanda Haroon Zakaria
Reanda Haroon Zakaria & Company
 Chartered Accountants

Place: Karachi

Dated: 26 February 2021

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2020

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
--- (Rupees in '000) ---			
ASSETS	Note		
Non Current Assets			
Property, plant and equipment	6	473,162	475,433
Intangible asset	7	-	-
Long term deposits		317	317
		<u>473,479</u>	<u>475,750</u>
Current Assets			
Loans, advances and prepayments		127	68
Tax refunds due from the Government	8	3,369	2,808
Cash and bank balances		4,454	1,793
		<u>7,950</u>	<u>4,669</u>
Total Assets		<u>481,429</u>	<u>480,419</u>
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized capital		<u>80,000</u>	80,000
Issued, subscribed and paid-up capital		54,500	54,500
Share premium reserve		29,727	29,727
Surplus on revaluation of property, plant and equipment	9	466,129	467,504
General reserve		23,073	23,073
Accumulated losses		(458,085)	(454,942)
Total shareholders' equity		<u>115,344</u>	119,862
Non-controlling interest	10	(13,375)	(13,375)
Non Current Liabilities			
Long term loans	11	-	-
Deferred liabilities	12	6,613	7,175
		<u>6,613</u>	<u>7,175</u>
Current Liabilities			
Current maturity of long term loans	11	31,831	31,831
Trade and other payables	13	24,051	25,004
Short term borrowings	14	252,514	245,917
Provision for taxation		446	-
Accrued markup		59,737	59,737
Unpaid / unclaimed dividend		4,268	4,268
		<u>372,847</u>	<u>366,757</u>
Contingencies and commitments	15	-	-
Total Equity and Liabilities		<u>481,429</u>	<u>480,419</u>

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statement


Muhammad Anis Mianoor
Chief Executive


Usman Mianoor
Director


Syed Muhammad Shahid
Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
----- (Rupees in "000") -----					
Sales		-	1,470	-	627
Cost of sales	16	(2,023)	(5,688)	(954)	(2,320)
Gross loss		(2,023)	(4,218)	(954)	(1,693)
Distribution cost		-	(253)	-	(126)
Administrative expenses	17	(3,059)	(11,317)	(1,911)	(4,704)
Operating loss		(5,082)	(15,788)	(2,865)	(6,523)
Finance cost		-	(6,384)	-	(2,988)
Other charges		-	(18,690)	-	-
Other income		2	108	2	2
Loss before taxation		(5,080)	(40,754)	(2,863)	(9,509)
Taxation - net	18	562	9,006	562	-
Loss after taxation		(4,518)	(31,748)	(2,301)	(9,509)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		(4,518)	(31,748)	(2,301)	(9,509)
Total comprehensive loss attributable to:					
- Owner of the Holding Company		(4,518)	(31,748)	(2,301)	(9,509)
- Non-controlling interest		-	-	-	-
		(4,518)	(31,748)	(2,301)	(9,509)
Loss per share - Rupees		(0.83)	(5.83)	(0.42)	(1.74)

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statement


Muhammad Anis Mianoor
 Chief Executive


Usman Mianoor
 Director


Sved Muhammad Shahid
 Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	<i>Share Capital</i>	<i>Share Premium Reserve</i>	<i>Surplus on revaluation of property, plant and equipment</i>	<i>General Reserve</i>	<i>Accumulated losses</i>	<i>Total shareholders' equity</i>
----- (Rupees in "000") -----						
Balance as at July 1, 2019	54,500	29,727	457,896	23,073	(413,026)	152,170
Total comprehensive loss for the half year ended December 31, 2019	-	-	-	-	(31,748)	(31,748)
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax- restated	-	-	(3,399)	-	3,399	-
Balance as at December 31, 2019	<u>54,500</u>	<u>29,727</u>	<u>454,497</u>	<u>23,073</u>	<u>(441,375)</u>	<u>120,422</u>
Balance as at July 1, 2020	54,500	29,727	467,504	23,073	(454,942)	119,862
Total comprehensive loss for the half year ended December 31, 2020	-	-	-	-	(4,518)	(4,518)
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax- restated	-	-	(1,375)	-	1,375	-
Balance as at December 31, 2020	<u>54,500</u>	<u>29,727</u>	<u>466,129</u>	<u>23,073</u>	<u>(458,085)</u>	<u>115,344</u>

Share premium reserve can only be utilized by the Company for the purpose specified in Section 81 of the Companies Act, 2017.

Surplus on revaluation of property, plant and equipment will be utilized for any purpose only after they are realized and transferred to unappropriated profits. However, these reserves can be individually offset against losses arising in future periods (if any) from revalued assets.

General reserves can be utilized for meeting any contingencies and for distribution of profit by way of dividend.

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statement


Muhammad Anis Mianoo
 Chief Executive


Usman Mianoo
 Director


Sved Muhammad Shahid
 Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1 STATUS AND NATURE OF BUSINESS

- 1.1 Johnson and Phillips (Pakistan) Limited (the Company) was incorporated in Pakistan as a public limited company on April 15, 1961 under the repealed Companies Act, 1913 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited - PSX. However, trading in the shares held by the sponsors of the Company is suspended and the Company has been placed on the Defaulters' Segment by the PSX w.e.f. November 15, 2019 due to the non-compliance of certain provisions of the PSX Rule Book.
- 1.2 The Holding Company is principally engaged in manufacturing, installation and selling of electrical equipment. The registered office of the Company and its manufacturing facilities are situated at C-10, South Avenue, SITE, Karachi.
- 1.3 Subsidiaries of Johnson & Phillips (Pakistan) Limited are public and private limited companies and are engaged in the business of manufacturing and sale of electrical and mechanical equipment / appliances and participation in turnkey engineering industrial projects. Moreover, subsequent to period end these subsidiaries are in winding up process under Easy exit scheme u/s 426 of the Companies Act, 2017.

The following subsidiaries have been consolidated in the consolidated condensed interim financial statements of the Holding Company.

Subsidiaries	Company status	Group Holding
Johnson and Phillips Industries (Pakistan) Limited	Public Unlisted	100%
Johnson & Phillips Transformers (Private) Limited	Private	70%
J & P EMO Pakistan (Private) Limited	Private	51%

1.4 Geographical location of business units**Head Offices and manufacturing plants**

The registered offices and the manufacturing facilities of all the Group Companies are situated at C-10, South Avenue, SITE, Karachi.

1.5 Impact of COVID-19 on the financial statements

Management has thoroughly evaluated the effects of COVID-19 on the operations of the Company and concluded that there are no material implications of COVID-19 that could have required any disclosure in these condensed interim financial statements, other than the fact that the COVID-19 has delayed the materialization of revival plans of the new management.

1.6 Going concern

During the period ended December 31, 2020, the Company has incurred loss after taxation amounting to Rs. 4.518 (December 31, 2019: Rs. 31.748) million, rising its accumulated losses to Rs. 458.085 (June 30, 2020: Rs. 454.942) million. Further, current liabilities exceeded its current assets by Rs. 364.897 (June 30, 2020: Rs. 362.088) million. The operations of the Company, including its revenue, are facing downward trajectory since financial year 2015 due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. The Company is reporting meagre sales since then and is totally dependent on the financial support of its Directors, sponsors and associated companies.

These factors indicate the existence of material uncertainty over the Company's ability to continue as a going concern and accordingly, the Company may not be able to realize its assets and settle its liabilities at stated amounts in the normal course of business. However, the management has prepared these condensed interim financial statements on a going concern basis due to the following reasons:

- The Company has revaluation surplus on fixed assets amounting to Rs. 466.129 million as on the reporting date.
- The Company already has rescheduled long term and short term borrowings with its related parties, including repayment of principal and accumulated mark-up thereon.
- New management of the Company, under the leadership of CEO Mr. Anis Mianoor, has taken over the affairs of the Company with effect from April 01, 2020, with the firm intention and capabilities to revive the overall operations of the Company. In the first phase, the new management, with the financial support of new sponsor directors, intends to settle the long outstanding dues of previous board members and their associated company and till the reporting date, new sponsor has settled Rs. 239.981 million in this regard. Other liabilities will also be paid off with the help of earnings from the revival of existing operations, injections of the funds from internal as well as external sources and continuing support from the new sponsor director.
- Even though that the COVID-19 has delayed the effectuation of revival plans, but the new management has firm intention and financial capabilities to start a new business segment of textile unit by injecting funds in the Company together with the revival of current business for which the detailed feasibilities and projections have already been prepared by the management, which are to be effectuated within this financial year.

2 BASIS OF PREPARATION

- 1.2 These consolidated condensed interim financial statements of the Company for the half year ended December 31, 2020 are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act shall prevail.
- 2.2 The figures of consolidated condensed interim profit and loss account for the quarter ended September 30, 2020 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2020. These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements, which should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020.
- 2.3 These consolidated condensed interim financial statements have been prepared under the historical cost convention except leasehold land, building and plant and machinery which are stated at revalued amount.
- 2.4 These consolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. Figures have been rounded off to the nearest Rupees in thousands.
- 2.5 The comparative consolidated statement of financial position presented has been extracted from the annual financial statements for the year ended June 30, 2020, whereas the comparative consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been extracted from the unaudited consolidated condensed interim financial statements for the half year ended December 31, 2019.

3 BASIS OF CONSOLIDATION

These consolidated condensed interim financial statements have been prepared from the information available in the reviewed un-audited separate financial statements of the Holding Company for the six months ended December 31, 2020 and the un-audited financial statements of the subsidiary companies for the six months ended December 31, 2020.

The financial statements of the subsidiary companies were prepared for the same reporting period as the Holding Company, using consistent accounting policies and changes were made when necessary to align them with the policies adopted by the Holding Company.

The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis. The carrying value of investment held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in the consolidated financial information. All material intra-Group balances and transactions were eliminated in full.

Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Holding Company. Non-controlling interest are presented as separate item in the consolidated condensed interim financial information.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

The accounting policies, applied in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2020.

Further, the Company has adopted the following standards, amended standards and interpretations of IFRSs which became effective during the current period:

-Amendments to IFRS 4 'Insurance contracts', IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments', IFRS 16 'Leases' and IAS 39 'Financial Instruments: Recognition and Measurement': Amendments regarding replacement issues in the context of the IBOR reform

-Amendments to IAS 1 'Presentation of Financial Statements': Amendment to defer the effective date of the January 2020 amendments regarding the classification of liabilities

The adoption of the above amendments and interpretation of the standards did not have any effect on these consolidated condensed interim financial statements.

5 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 5.1 The preparation of these consolidated condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 5.2 In preparing these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2020.
- 5.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2020.

		<i>(Un-audited)</i>	
		<i>December 31, 2020</i>	<i>June 30, 2020</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>Note ----- (Rupees in '000) -----</i>	
6	PROPERTY, PLANT AND EQUIPMENT		
6.1	<i>Written down value as on July 01, 2020</i>	475,433	480,165
	Depreciation during the period / half year	6.2 (2,271)	(4,732)
		<u>473,162</u>	<u>475,433</u>
6.2	<i>The depreciation charge for the period / year has been allocated as follows:</i>		
	Cost of sales	1,817	3,786
	Administrative expenses	454	946
		<u>2,271</u>	<u>4,732</u>
7	INTANGIBLE ASSET		
	Computer software having cost amounting to Rs.129,000 is fully amortized	-	-
8	TAX REFUNDS DUE FROM THE GOVERNMENT		
	<i>Income tax</i>	3,132	2,664
	<i>Sales tax</i>	21,081	20,988
	Less: Provision for doubtful sales tax refunds	(20,844)	(20,844)
		237	144
		<u>3,369</u>	<u>2,808</u>
9	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT.		
	<i>Balance as at July 01, 2020</i>	474,679	479,189
	Transfer to equity in respect of incremental depreciation - net of deferred tax	(1,375)	(3,202)
	Related deferred tax liability on incremental depreciation	(562)	(1,308)
		(1,937)	(4,510)
		472,742	474,679
	<i>Less: Related deferred tax liability</i>		
	- at the beginning of the year	(7,175)	(8,483)
	- on incremental depreciation for the year	562	1,308
	- at the end of the year	(6,613)	(7,175)
		<u>466,129</u>	<u>467,504</u>
10	NON-CONTROLLING INTEREST		
	<i>NCI Share in issued, subscribed and</i>	9,490	9,490
	<i>NCI Share in accumulated losses of subsidiaries</i>		
	- Brought forward	(22,865)	(23,172)
	- For the period / year	-	307
		(22,865)	(22,865)
		<u>(13,375)</u>	<u>(13,375)</u>

Half yearly Accounts (Un-Audited) December 31, 2020

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
11 LONG TERM LOANS		
<i>- Unsecured and interest bearing</i>		
<i>From related parties</i>		
Close family member of former director	11.1 8,408	8,408
Former director	11.2 20,377	20,377
Associated company	11.3 3,046	3,046
	<u>31,831</u>	<u>31,831</u>
<i>Less: Current portion of long term loans</i>	11.4 (31,831)	(31,831)
	<u>-</u>	<u>-</u>

11.1 The terms of these loans are same as disclosed in the annual consolidated financial statement for the year ended June 30, 2020.

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
12 DEFERRED LIABILITIES		
Deferred taxation	12.1 6,613	7,175
	<u>6,613</u>	<u>7,175</u>
12.1 Deferred taxation		
<i>Taxable temporary differences</i>		
Surplus on revaluation of fixed assets	9 6,613	7,175
<i>Deductible temporary differences</i>		
Accelerated tax depreciation	2,184	2,235
Available tax losses	93,369	92,407
Provisions	-	22
	<u>(95,553)</u>	<u>(94,664)</u>
	<u>(88,940)</u>	<u>(87,489)</u>
<i>Deferred tax asset not recognised</i>	12.1.1 95,553	94,664
	<u>6,613</u>	<u>7,175</u>

12.1.1 The management has not recognized the deferred tax asset on deductible differences as on the reporting date as the management is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
13 TRADE AND OTHER PAYABLES		
Trade creditors	5,066	5,338
Advance from customers - unsecured	8,638	8,638
Accrued liabilities	7,174	7,903
Payable to ex-employees	802	802
Provident fund payable	725	725
Unclaimed gratuity payable	745	850
Withholding tax payable	641	499
Others	260	249
	<u>24,051</u>	<u>25,004</u>
14 SHORT TERM BORROWINGS		
<i>- Unsecured and interest free</i>		
<i>From related parties</i>		
New sponsor directors	14.1 239,981	233,384
Former directors	14.2 12,533	12,533
	<u>252,514</u>	<u>245,917</u>

14.1 This represents unsecured and interest free loan received from the new sponsor director if the company which is repayable on demand

14.2 This represents unsecured and interest free loan received from formers director if the company which is repayable on demand

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There are no contingencies other than those as disclosed in the annual financial statements for the year ended June 30, 2020.

15.2 Commitment

Guarantee issued by a banking company on behalf of the Company against performance bond

		1,745	1,745
<i>Half year ended</i>			
<i>December 31,</i>			
		2020	2019
<i>Note</i>		----- (Rupees in '000) -----	
16 COST OF SALES			
Raw material consumed	16.1	-	237
Salaries, wages and other benefits		-	978
Fuel and power		206	374
Repair and maintenance		-	786
Traveling and conveyance		-	3
Depreciation	6.2	1,817	3,185
Other manufacturing expenses		-	125
		2,023	5,688
Work in process			
Opening stock		4,386	4,386
Closing stock		(4,386)	(4,386)
		-	-
		2,023	5,688
16.1 Raw material consumed			
Opening stock		34,158	34,158
Purchases during the year		-	237
		34,158	34,395
Closing stock		(34,158)	(34,158)
		-	237
17 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		903	3,902
Travelling and conveyance		-	278
Legal and professional		296	2,638
Rates and taxes		108	171
Repair and maintenance		-	1,282
Printing, stationery and postage		42	523
Utilities		383	333
Entertainment		-	95
Fees and subscription		650	985
Auditors' remuneration	17.1	138	123
Depreciation	6.2	454	796
Others		85	191
		3,059	11,317
17.1 Auditors' remuneration			
Review of half yearly financial statements		85	75
Out of pocket expenses		8	8
Other services		45	40
		138	123
18 TAXATION - NET			
Current			
Prior		-	51
Deferred	12.1	(562)	(9,079)
		(562)	(9,006)

18.1 Returns up to the tax year 2020 have been filed, which are deemed to be assessed under provisions of the Income Tax Ordinance, 2001. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return, select any return for audit purpose.

19. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies including subsidiaries, directors and key management personnel of the company and its associates and their close family members. Year end balances relating to related parties are specifically disclosed in relative notes to these financial statements. Transactions with the related parties are as follows:

	<i>Half year ended</i>	
	<i>December 31,</i>	
	<i>2020</i>	<i>2019</i>
	<i>----- (Rupees in '000) -----</i>	
Associated Company - Close family member of former director of		
<i>Elmetec (Pvt.) Limited</i>		
Long term loan obtained	-	4,563
Long term loan repaid	-	-
Purchases	-	268
Trade liability paid	-	-
Advance received from associated company repaid	-	-
Markup charged	-	4,103
Close family member of former director of the Company		
<i>Faisal Bilal Qureshi</i>		
Markup charged	-	664
<i>Bilal Qureshi - former director of the Company</i>		
Short term loan obtained	-	-
Markup charged	-	1,603
Key Management Personnel of the Company		
<i>Anis Mianoor - Director (79.81% shareholding)</i>		
Loan obtained	97	408
Loan repaid	-	-
<i>Umair Mianoor - Director (0.01% shareholding)</i>		
Loan obtained	3,250	-
Loan repaid	-	-
<i>Usman Mianoor - Director (0.01% shareholding)</i>		
Loan obtained	3,250	-
Loan repaid	-	-
<i>Salman Ganny - former director of the Company (0.02% shareholding)</i>		
Short term loan obtained	-	1,493
<i>Shehryar Saeed - former CEO of the Company</i>		
Remuneration accrued	-	1,200
Other benefits accrued	-	420
December 31,		
	2020	2019
20 NUMBER OF EMPLOYEES		
Total employees as on the reporting date	2	5
Average employees during the year	2	7
21 DATE OF AUTHORIZATION FOR ISSUE		
These consolidated condensed interim financial statements were approved and authorized for issue on February 26, 2021 by the Board of Directors of the Holding Company.		


Muhammad Anis Mianoor
 Chief Executive


Usman Mianoor
 Director


Sved Muhammad Shahid
 Chief Financial Officer



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