

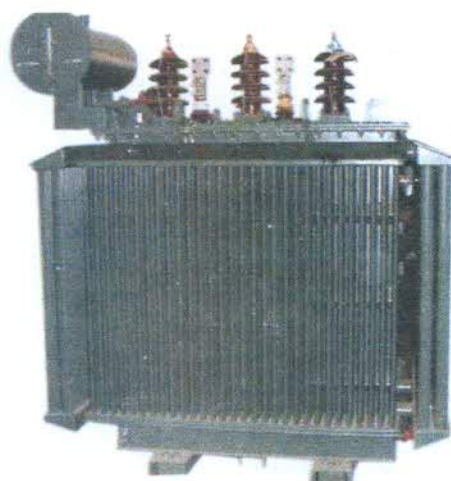
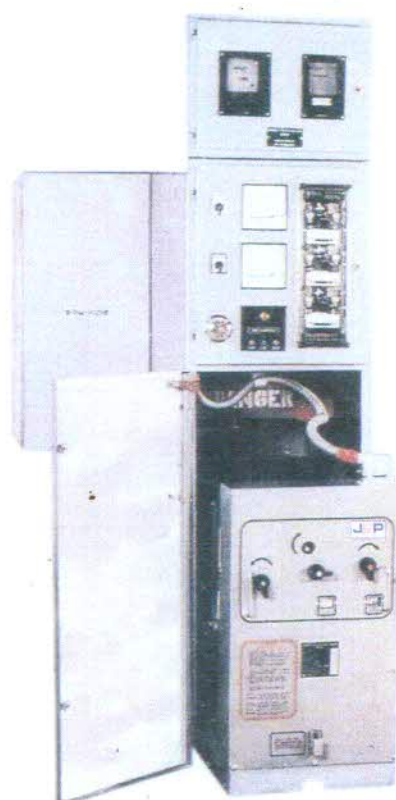


Johnson & Phillips (Pakistan) Ltd.

Johnson & Phillips (Pakistan) Limited

December 31,
2021

Half Yearly Account



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. Muhammad Anis Mianoor	Director/CEO
Mr. Muhammad Umair Mianoor	Director
Mr. Muhammad Amin Khanani	Director
Mr. Muhammad Usman Mianoor	Director
Mr. Muhammad Hanif Chamdia	Director
Ms. Uroosa Mianoor	Director

Board of Audit Committee

Mr. Muhammad Amin Khanani	Chairman
Mr. Muhammad Umair Mianoor	Member
Ms. Uroosa Mianoor	Member

Board of HR Committee

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

Chief Financial Officer Mr. Syed Muhammad Shahid

Company Secretary Mr. Muhammad Hanif

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 Ltd.
Silk Bank Ltd.
Bank Afalah Ltd.
Habib 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 31st December, 2021.

FINANCIAL HIGHLIGHTS:

The comparative financial highlights of the Company for the six months period ended 31st December, 2021 and 31st December, 2020 are as follow:

	2021Rupees in '000	2020
Profit/(Loss) for the year before taxation	10,577	(5,080)
Out of which the Directors have accounted		
For taxation – current	(1,141)	562
Accumulated (Losses) brought forward	(475,072)	(464,036)
Accumulated Losses carried over to Balance Sheet	(464,028)	(467,179)
Earnings per share – basic and diluted	1.73	(0.83)

The Sales – net for the half year was Rs.52.225 million as compared to Rs.NIL for the corresponding period of last year. The cost of sales for the year was Rs.36.067 million as compared to Rs.2.023 million as compared to corresponding figure of last year.

The Gross Profit/(loss) of the Company was Rs.16.158 million against Rs.(2.023) 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 31st December, 2021 was Rs.3.434 million as against Rs.3.059 million in the corresponding period of previous year. The Company is in process of re-organizing its activities.

A Profit after tax of Rs.9.436 million was reported for the six months ended 31st December, 2021 as compared to a loss after tax of Rs.(4.518) million in the corresponding period. Management of your Company is making concerted efforts and continues to endeavour to achieve improved performance in the future.

The Management of your Company is trying to remove the Company's name from the Defaulter's Segment of the Pakistan Stock Exchange Limited due to which we are facing a number of problems to obtain financial assistance from the Banks/Financial Institutions. However, the Company has taken a step to generate funds and reduced the accumulated losses and invest in the new textile unit, we have disposed off/export some Fixed Assets/machinery and earned a handsome profit in the same, detail is given in this Accounts.

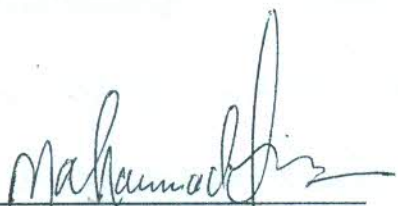
FUTURE PLAN:

As it is in the knowledge of our shareholders that an Extra Ordinary General Meeting of the Company was held on 5th July, 2021 whereby the shareholders had given their consent regarding change of business to that of textile and, accordingly, machinery has arrived in the factory premises. We are trying to install the said machinery from our own resources but the Banks are reluctant to give financing to the Company only because of the name of the Company in the Defaulters' Segment of the Pakistan Stock Exchange Limited. The Company's management is trying its best to remove its name from Defaulters' Segment. Furthermore, the Company is looking to generate revenue from trading of textiles and related machinery. We request our shareholders to please pray for our success in this regard so that the Company's name is enlisted in the normal trading business.

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



MRS. ZAINAB ANIS MIANOOR
CHAIRMAN

Karachi: 16th February, 2022

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ڈائریکٹر کا جائزہ

بورڈ آف ڈائریکٹرز شش ماہی عرصہ پانچواں دسمبر 2021، 31 تک کمپنی کا خلاصہ، ان آڈٹ مالی تفصیلات پیش کرنا چاہیے۔

مالی جھلکیاں

کمپنی کا موازنہ برائے مالی کارکردگی کا خلاصہ شش ماہی عرصہ پانچواں دسمبر 2021، 31 اور دسمبر 2020، 31 درج ذیل ہے۔

(2021) (2020)
RUPEES IN THOUSAND

(10,577) (5,080)

منافع (نقصان) عرصہ ہذا ٹیکس سے پہلے

(1,141) (562)

جس میں سے ڈائریکٹرز ٹیکس کے لئے اکاؤنٹ ہوئے۔ کرنٹ

(475,072) (464,036)

مجموعی نقصان

(464,028) (467,179)

مجموعی نقصان بیلنس شیٹ پر لایا گیا

1.73 0.83

منافع فی شیئر۔ بنیادی اور ڈائریکٹرز۔ روپے

فروخت۔ نیٹ نصف سال کے عرصہ پانچواں دسمبر 2021، 31 تک 52.225 ملین روپے تھے بمقابلہ گزشتہ سال کے متعلقہ عرصہ تک صفر ملین کے۔ مذکورہ عرصہ کے فروخت کے اخراجات 36.07 ملین روپے تھے بمقابلہ 2.023 ملین روپے گزشتہ سال کے متعلقہ عرصہ تک۔

کمپنی کا مجموعی منافع / نقصان 16.158 ملین روپے تھا بمقابلہ 2.023 ملین روپے بمقابلہ گزشتہ سال کے متعلقہ عرصہ تک۔ کمپنی کے تقسیمی اخراجات، انتظامی اخراجات، مالی اخراجات چھ ماہ کے عرصہ کے دوران پانچواں دسمبر 2021، 31 تک 3.434 ملین روپے تھے بمقابلہ 3.059 ملین روپے بمقابلہ گزشتہ سال کے متعلقہ عرصہ تک۔ کمپنی اپنی سرگرمیوں کی تنظیم لو کے لئے کوشاں ہے۔

ٹیکس کے بعد منافع 9.436 ملین روپے رپورٹ کیا گیا برائے چھ ماہ پانچواں دسمبر 2021، 31 بمقابلہ نقصان بعد از ٹیکس 4.518 ملین روپے گزشتہ سال کے متعلقہ عرصہ تک۔ آپ کی کمپنی کی انتظامیہ کوشش کر رہی ہے اور محنت کو جاری رکھے ہوئے ہے تاکہ مستقبل میں بہتر کارکردگی حاصل کی جائے۔

آپ کی کمپنی کی انتظامیہ کوشش کر رہی ہے کہ کمپنی کا نام پاکستان اسٹاک ایکسچینج کی ڈفالٹ لسٹ سے ہٹایا جاسکے جس کی وجہ سے ہمیں بینک / مالی اداروں سے معاوضت کے حصول میں کافی مسئلے درپیش ہیں۔ تاہم، کمپنی نے فنڈز پیدا کرنے کے ایک قدم لے لیا ہے، اور مجموعی نقصان میں کمی لے آئی ہے، اور نئے ٹیکسٹائل یونٹ میں سرمایہ کاری کر لی ہے، ہم نے فکسڈ اسٹاک / مشینری برآمد کر لی ہے اور اس کے بدلے اچھی رقم کمائی ہے جس کی تفصیلات اسی اکاؤنٹس میں دی گئی ہیں۔

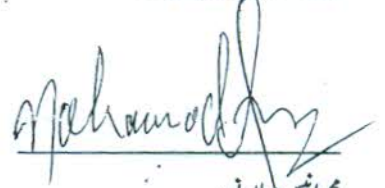
مستقبل کا منصوبہ

جیسا کہ شیئر ہولڈرز کے علم میں ہے کہ کمپنی کی ایک غیر معمولی جنرل میٹنگ 05 July 2021 کو منعقد کی گئی تھی جس میں شیئر ہولڈرز نے کاروبار کو ٹیکسٹائل میں تبدیل کرنے کے لئے اپنی رضامندی دی تھی جس کے مطابق مشینری کمپنی کی حدود میں پہنچائی۔ ہم کوشاں ہیں کہ مذکورہ مشین کو اپنے وسائل میں لائے مگر بینک کمپنی کی فنانسنگ (سرمایہ لگانے میں) تذبذب کا شکار ہے صرف اس وجہ سے کہ کمپنی کا نام پاکستان اسٹاک ایکسچینج کی ڈفالٹ لسٹ میں موجود ہے۔ کمپنی کی انتظامیہ کوشش کر رہی ہے کہ کمپنی کا نام پاکستان اسٹاک ایکسچینج کی ڈفالٹ لسٹ سے ہٹایا جاسکے۔ مزید کمپنی ٹیکسٹائل اور متعلقہ مشینری کے کاروبار سے آمدنی پیدا کرنے کا کام کر رہی ہے۔ ہم اپنے شیئر ہولڈرز سے درخواست کرتے ہیں کہ برائے مہربانی اس حوالے سے ہماری کامیابی کے لئے وہ کریں تاکہ کمپنی کا اندراج عام تجارتی کاروبار میں ہو سکے۔

اعتراف

ہم اپنے بینکرز، شیئر ہولڈرز اور سپلائرز کی مسلسل حمایت کے شکر گزار ہیں۔ ہم اپنے اسٹاک کی بھائی مسائل کو حل کرنے کے لئے ان کی انتھک لگن کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



محمد انیس میاں نور

سی ای او



زینب انیس میاں نور

چیرمین

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, 2021 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-months 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, 2021 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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 payable from counter to the extent of Rs.19.254 million, out of the total balance amounting to Rs. 62.147 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, 2021, the current liabilities of the Company exceeded its current assets by Rs. 357.768 (June 30, 2021: 396.426) million. Further, the Company has accumulated losses as on the reporting date amounting to Rs. 464.028 (June 30, 2021: 475.072) million.

These factor, 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 auditors' report is **Muhammad Iqbal**.


Reanda Haroon Zakaria & Company
Chartered Accountants

Date: February 16, 2022

Place: Karachi

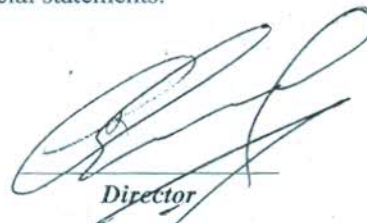
JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2021

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	--- (Rupees in '000) ---	
ASSETS			
Non Current Assets			
Property, plant and equipment	5	470,344	500,223
Intangible asset	6	-	-
Long term investments	7	-	-
Long term deposits		317	317
		470,661	500,540
Current Assets			
Deposits		3	400
Tax refunds due from the Government	8	6,188	7,327
Cash and bank balances		5,225	6,197
		11,416	13,924
Total Assets		482,077	514,464
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	463,913	465,521
General reserve		23,073	23,073
Accumulated losses		(464,028)	(475,072)
Total shareholders' equity		107,185	97,749
Non Current Liabilities			
Long term loans	10	-	-
Deferred liabilities	11	5,708	6,365
		5,708	6,365
Current Liabilities			
Current maturity of long term loans	10	31,831	31,831
Trade and other payables	12	62,147	55,933
Short term borrowings	13	211,201	258,581
Accrued markup		59,737	59,737
Unpaid / unclaimed dividend		4,268	4,268
		369,184	410,350
Contingencies and commitments	14		
Total Equity and Liabilities		482,077	514,464

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Chief Executive

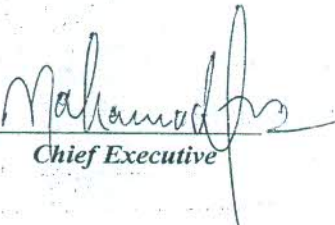

Chief Financial Officer


Director

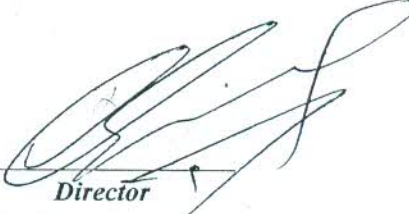
JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		<u>Half year ended</u>		<u>Quarter ended</u>	
		<u>December 31,</u>		<u>December 31,</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Note		<u>----- (Rupees in "000") -----</u>			
Sales	15	52,225	-	52,225	-
Cost of sales	16	(36,067)	(2,023)	(35,086)	(954)
Gross profit / (loss)		16,158	(2,023)	17,139	(954)
Administrative expenses	17	(3,348)	(3,059)	(1,874)	(1,911)
Operating profit / (loss)		12,810	(5,082)	15,265	(2,865)
Finance cost		(86)	-	(83)	-
Other charges - Exchange loss		(2,262)	-	(2,262)	-
Other income - Interest income		115	2	1	2
Profit / (Loss) before taxation		10,577	(5,080)	12,921	(2,863)
Taxation - net	18	(1,141)	562	(1,141)	562
Profit / (Loss) after taxation		9,436	(4,518)	11,780	(2,301)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		9,436	(4,518)	11,780	(2,301)
Earning / (loss) per share - Rupees		1.73	(0.83)	2.16	(0.42)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021


	Share Capital	Share Premium Reserve	Surplus on revaluation of property, plant and equipment	General Reserve	Accumulated losses	Total shareholders' equity
	----- (Rupees in "000") -----					
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)	(4,518)
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	(1,375)	-	1,375	-
Balance as at December 31, 2020	54,500	29,727	466,129	23,073	(467,179)	106,250
Balance as at July 1, 2021	54,500	29,727	465,521	23,073	(475,072)	97,749
Total comprehensive income for the half year ended December 31, 2021	-	-	-	-	9,436	9,436
Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	(1,608)	-	1,608	-
Balance as at December 31, 2021	54,500	29,727	463,913	23,073	(464,028)	107,185

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 21 form an integral part of these condensed interim financial statements


Chief Executive


Chief Financial Officer


Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

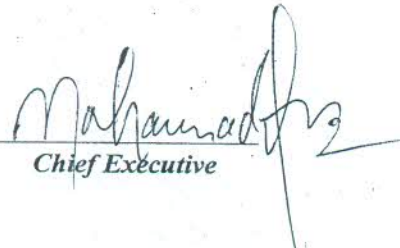
A. CASH FLOWS FROM OPERATING ACTIVITIES

		<i>Half year ended</i>	
		<i>December 31,</i>	
		<i>2021</i>	<i>2020</i>
		<i>----- (Rupees in '000) -----</i>	
	<i>Note</i>		
Profit / (Loss) before taxation		10,577	(5,080)
Adjustment for:			
Depreciation	5.1.1	2,191	2,271
Exchange loss net		2,262	-
Finance cost		86	-
Operating cash outflows before working capital changes		15,116	(2,809)
(Increase) / decrease in current assets			
Deposits		397	(59)
Stock-in-trade		27,688	-
Sales tax refundable		(94)	(93)
Increase / (decrease) in current liabilities			
Trade and other payables		3,952	(953)
		31,943	(1,105)
Cash used in operations		47,059	(3,914)
Income tax paid		(565)	(22)
Finance cost paid		(86)	-
		(651)	(22)
Net cash generated / (used) in operating activities	A	46,408	(3,936)

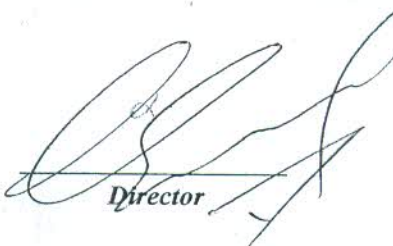
B. CASH FLOWS FROM FINANCING ACTIVITIES

Short term borrowings (repaid) / received - net	13	(47,380)	6,597
Net cash (used in) / generated from financing activities	B	(47,380)	6,597
Net (decrease) / increase in cash and cash equivalents (A+B)		(972)	2,661
Cash and cash equivalents at the beginning of the period		6,197	1,793
Cash and cash equivalents at the end of the period		5,225	4,454

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer
'10


Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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. However, the Company has changed its memorandum, after obtaining approval from the members in the EOGM held on July 05, 2021, and included textile manufacturing and allied activities including trading of textile machineries as its principal line of business. The registered office of the Company and its manufacturing facilities are situated at C-10, South Avenue, SITE, Karachi.

1.3 Going concern

During the period ended December 31, 2021, the current liabilities exceeded its current assets by Rs. 357.768 (June 30, 2020: Rs. 396.426) million. The operations of the Company, including its revenue, are facing downward trajectory since financial year 2015 except the current period due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. Further the Company has accumulated losses as on the reporting date amounting to Rs. 464.028 (June 30, 2021: 475.072 million). 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. 463.913 million as on the reporting date.
- 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. 202.353 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 for which the detailed feasibilities and projections have already been prepared by the management, while various textile related machinery has been acquired in previous and current period end amounting to Rs. 27.688 million and Rs. 6.625 million respectively. Moreover during the current period, the management has also started trading of textile machineries which is part of main business as per revised approved memorandum of association both by regulator and shareholders due to severe gas crises. Accordingly, the Company has sold machineries purchased in previous and current period and earned profit of Rs. 9.436 reducing the accumulated losses as on the reporting date. Moreover subsequent to year end, the Company has imported more textile machineries for trading.

2 BASIS OF PREPARATION

- 2.1 These condensed interim financial statements of the Company for the half year ended December 31, 2021 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, 2021 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2021. 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, 2021.
- 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, 2021, 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, 2020.

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, 2021.

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', IAS 39 'Financial Instruments: Recognition and Measurement': Amendments regarding replacement issues in the context of the IBOR reform
- Amendments to IFRS 16 'Leases': Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification

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, 2021.
- 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, 2021.

5 PROPERTY, PLANT AND EQUIPMENT

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
Operating fixed assets	5.1	470,344	472,535
Capital work in progress	5.2	-	27,688
		<u>470,344</u>	<u>500,223</u>
5.1 Written down value as on July 01,		472,535	476,917
Depreciation during the period / year	5.1.1	(2,191)	(4,382)
		<u>470,344</u>	<u>472,535</u>
5.1.1 The depreciation charge for the period / year has been allocated as follows:			
Cost of sales	16	1,753	3,505
Administrative expenses	17	438	876
		<u>2,191</u>	<u>4,382</u>
5.2 Capital work in progress			
Plant and machinery		-	27,688
5.2.1 Movement during the period			
Balance as at July 01,		27,688	-
Additions made during the period / year		6,625	27,688
		<u>34,314</u>	<u>27,688</u>
Transferred to stock in trade	5.2.2	(34,314)	-
		<u>-</u>	<u>27,688</u>
5.2.2 The Company imported 20 textile second hand machineries upto July 2021. These are transferred to stock in trade in the light of management decision disclosed in note 1.3.			

6 INTANGIBLE ASSET

Computer software having cost amounting to Rs. 129,000 is fully amortized

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
	-	-

	2021 (Unaudited)	2021 (Audited)
Note	----- (Rupees in '000) -----	

7 LONG TERM INVESTMENTS

In shares of unquoted subsidiary companies - at cost *Johnson and Phillips Industries (Pakistan) Limited*

Investment in shares

3,000,000 fully paid ordinary shares of Rs. 10 each
[Break-up value as at December 31, 2021 was Rs. nil
(June 30, 2021 : Rs. nil)]. The Company held 100% of
the investee's total equity.

30,000 30,000

Advance against share capital

20,000 20,000

50,000 50,000

Johnson & Phillips Transformers (Private) Limited

2,099,995 fully paid ordinary shares of Rs. 10 each
[Break-up value as at December 31, 2021 was Rs. nil
(June 30, 2021: Rs. nil)]. The Company held 70% of the
investee's total equity.

21,000 21,000

J & P EMO Pakistan (Private) Limited

50,997 fully paid ordinary shares of Rs. 10 each [Break-
up value as at December 31, 2021 was Rs. nil (June 30,
2021 : Rs. nil)]. The Company held 51% of the
investee's total equity.

510 510

71,510 71,510

(71,510) (71,510)

Provision for diminution in value of investments

7.1

7.1 All of these subsidiaries are in the course of being wound up, for which the application has already
been filed with the SECP before year ended June 30, 2021.

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----	

8 TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax payable / refundable

2,271 3,504

Sales tax

Less: Provision for doubtful sales tax refunds

24,761	24,667
(20,844)	(20,844)
3,917	3,823
6,188	7,327

8.1 *Balance as on July 01,*

3,504 3,110

Taxes paid during the year

565 394

Tax liability for the year

18

(1,798) -

Balance as on December 31, / June 30,

2,271 3,504

9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----	

Balance as at July 01,	471,886	474,679
Transfer to equity in respect of incremental depreciation - net of deferred tax	(1,608)	(1,983)
Related deferred tax liability on incremental depreciation	(657)	(810)
	(2,265)	(2,793)
	469,621	471,886
Less: Related deferred tax liability		
- at the beginning of the year	(6,365)	(7,175)
- on incremental depreciation for the year	657	810
- at the end of the year	(5,708)	(6,365)
	463,913	465,521

10 LONG TERM LOANS

- Unsecured and interest bearing

From related parties

Close family member of former director	8,408	8,408
Former director	20,377	20,377
Associated company	3,046	3,046
	31,831	31,831
10.1	(31,831)	(31,831)
	-	-

Less: Current portion of long term loans

10.1 The terms of these loans are same as disclosed in the annual financial statements for the year ended June 30, 2021.

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----	

11 DEFERRED LIABILITIES

Deferred taxation	11.1	5,708	6,365
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11.1 Deferred taxation

Taxable temporary differences

Surplus on revaluation of fixed assets	9	5,708	6,365
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Deductible temporary differences

Accelerated tax depreciation	1,819	1,970
Available tax losses	68,440	72,670
Provisions	31,937	31,937
	(102,197)	(106,577)
	(96,489)	(100,212)

Deferred tax asset not recognized

11.1.1	102,197	106,577
	5,708	6,365

- 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.

12 TRADE AND OTHER PAYABLES

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
Trade creditors	12.1	43,043	35,972
Advance from customers - unsecured		8,638	8,638
Accrued liabilities		7,439	8,303
Payable to ex-employees		802	802
Provident fund payable		725	725
Unclaimed gratuity payable		745	745
Withholding tax payable		506	499
Others		249	249
		<u>62,147</u>	<u>55,933</u>

- 12.1 This includes Rs. 37.599 (June 30, 2021: Rs. 30.713) million payable against the purchase of textile machineries to Gulf Tex Machine Fzco, an associated undertaking, incorporated in Dubai, U.A.E. During the period, the Company has sold machineries in accordance with management decision as disclosed in note no. 1.3 to these financial statements.

13 SHORT TERM BORROWINGS - Unsecured and interest free

From related parties

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
New sponsor directors	13.1	202,353	249,733
Former directors	13.2	8,848	8,848
		<u>211,201</u>	<u>258,581</u>

- 13.1 This represents unsecured and interest free loan received from the new sponsor directors of the Company which are payable on demand. Loans were obtained for the repayment of long outstanding dues and for the working capital management.
- 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 statements for the year ended June 30, 2021.

	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----	

14.2 Commitment

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

1,745	1,745
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15 SALES

Sales of machineries

15.1	52,225	-
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15.1 This represents export sale of machineries as disclosed in note no. 1.3.

16 COST OF SALES

Purchase of machineries

34,314	-
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Fuel and power

-	206
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Depreciation

5.1.1	1,753	1,817
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36,067	2,023
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17 ADMINISTRATIVE EXPENSES

Salaries and other benefits

915	903
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Travelling and conveyance

57	-
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Legal and professional

491	296
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Rates and taxes

194	108
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Printing, stationery and postage

61	42
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Utilities

545	383
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Entertainment

21	-
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Fees and subscription

314	650
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Auditors' remuneration

17.1	110	138
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Depreciation

5.1.1	438	454
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Others

202	85
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3,348	3,059
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17.1 Auditors' remuneration

Review of half yearly financial statements

100	85
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Out of pocket expenses

10	8
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Other services

-	45
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110	138
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18 TAXATION - NET

Current

1,798	-
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Deferred

11.1	(657)	(562)
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1,141	(562)
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18.1 Returns up to the tax year 2021 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:

Key Management Personnel of the Company

Anis Mianoor - Director (79.82% shareholding)

	Half year ended December 31,	
	2021	2020
	----- (Rupees in '000) -----	
Loan obtained	120	97

Umair Mianoor - Director (0.01% shareholding)

Loan obtained	-	3,250
Loan repaid	23,500	-

Usman Mianoor - Director (0.01% shareholding)

Loan obtained	-	3,250
Loan repaid	24,000	-

Associated Undertaking - common directorship

Gulf Tex Machine Fzco

Acquisition of machinery (including exchange loss)	6,886	-
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20 NUMBER OF EMPLOYEES

	December 31,	
	2021	2020
Total employees as on the reporting date	2	2
Average employees during the period	2	2

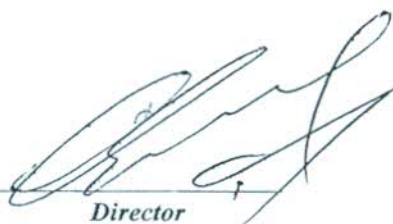
21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on February 16, 2022 by the Board of Directors of the Company.


Chief Executive


Chief Financial Officer

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Director