

# **CONTENTS**

Company Information	1
Director's Review (English)	2
Director's Review (Urdu)	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss	5
Condensed Interim Statement of Comprehensive Income	6
Condensed Interim Cash Flow Statement	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Financial Information	9
Condensed Interim Consolidated Financial Information	10

# COMPANY INFORMATION

## Board of Directors

Mr. Salman Ganny	Chairman
Mr. Shehryar Saeed	Director/CEO
Ms. Mariam Shafi	Director
Mr. Muhammad Tariq Anjum	Director
Mr. Muhammad Azhar Ul Islam	Director
Mr. Abid Saeed Khan	Director
Mr. Syed Jamshed Zaidi	Director

## Board of Audit Committee

Mr. Abid Saeed Khan	Chairman
Mr. Muhammad Tariq Anjum	Member
Ms. Mariam Shafi	Member

## Board of HR Committee

Ms. Mariam Shafi	Chairman
Mr. Salman Ganny	Member
Mr. Syed Jamshed Zaidi	Member
Mr. Shehryar Saeed	Member

## Company Secretary & Chief Financial Officer (CFO)

Mr. Tariq Ahmed

## Internal Auditor

Mr. Tariq Ilyas

## Legal Advisor

LMA EBRAHIM HOSAIN  
Barristers, Advocate & Corporate Legal Consultants,  
156 - 1, Scotch Corner, Upper Mall, Lahore

## Auditors

M/s. Nazir Chaudhri & Co.  
Chartered Accountants  
4-Karachi Chambers, Hasrat Mohani Road,  
P.O.Box.No.5061, Karachi - 74000

## Share Registrar

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

## Bankers

Silk Bank Ltd.  
Soneri Bank 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](http://www.johnsonphillips.pk)  
E-mail: [Johnsonphillips@cyber.net.pk](mailto: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 three-month period ended September 30, 2017.

### Business Review

The Sales -net for the year was Rs.1.5M as compared to Rs.10.4M for the corresponding period of last year. The cost of sales for the year was 7.6M as compared to Rs.16.1M.

The Gross loss of the Company was Rs.(6.1M) against a loss of Rs. (5.6M) in the corresponding period of last year. The Company's Distribution cost, Administrative expenses and finance cost during the three months period ended September 30, 2017 was Rs.5.3M as against Rs.6.1M in the corresponding period of previous year. The Company is in the process of reorganizing its activities.

A loss after tax of Rs.11.5M was reported for the three month period ended September 30,2017 compared to a loss after tax of Rs.11.9M in the corresponding period. Management of your Company is making concerted efforts and continues to endeavor to achieve improved performance in the future.

### Future Plan

The Company continues to focus on restructuring plan, which will facilitate growth of the business, reduce the loss of business, improve operational viability, profitability of the Company and ensure return to the shareholders. Hopefully, we can achieve the growth plan by the end of this financial year. The prevailing business conditions and the, highly competitive markets will continue to pose challenges.

### Financial Highlights

The comparative financial highlights of your Company for the three months period ended September 30, 2017 and September 30, 2016 are as follows:

	2017	2016
	.....Rupees in '000.....	
(Loss) for the year before taxation	(11,462)	(11,735)
Out of which the Directors have accounted		
For taxation - current	(15)	(128)
Accumulated (Losses) brought forward	(341,866)	(279,054)
<b>Accumulated losses carried over to Balance Sheet</b>	<b>(351,635)</b>	<b>(290,917)</b>
<b>Earnings per share – basic &amp; diluted</b>	<b>(2.11)</b>	<b>(2.18)</b>

### Acknowledgement

The Board of Directors would like to express its sincere appreciation to the Company's valued clients, business partners and other stakeholders. The Board would also like to thank the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange and the Central Depository Company for their continued guidance and professional support.

The Board acknowledges and appreciates the hard work of the management and all employees of the Company for working in difficult conditions.

For and on behalf of the Board.

### Shehryar Saeed

Managing Director / CEO

Karachi: October 30, 2017

## ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کو 30 ستمبر، 2017 کو ختم ہونے والے تین ماہ کے عرصے کے دوران کمپنی کے غیر آڈٹ شدہ مالیاتی بیانات پیش کرنا چاہیں گے۔

### کاروباری جائزہ

گزشتہ سال کی اسی مدت کے لئے سال کے لئے خالص فروخت روپے 10.4 ملین کے موازنہ میں 1.5 ملین روپے تھا۔ سال کے لئے فروخت کی قیمت 16.1 ملین کے مقابلے میں 7.6 ملین روپے تھی۔ کمپنی مجموعی نقصان 6.1 ملین روپے گزشتہ سال کی اسی مدت میں (5.6 ملین) تھا۔ 30 ستمبر، 2017 کو ختم ہونے والے تین مہینے کے دوران کمپنی کی تقسیمی انتظامی اخراجات اور مالیاتی اخراجات پچھلے سال کی اسی مدت میں 5.3 ملین روپے۔ کمپنی اپنی سرگرمیاں دوبارہ منظم کرنے کے عمل میں ہے۔ اسی مدت میں 6.1 ملین روپے کے ٹیکس کے بعد نقصان کے مقابلے میں 2017 ستمبر 30 کو تین ماہ کی مدت کے لئے 11.5 ملین روپے گزشتہ سال ٹیکس کے بعد 11.9 ملین نقصان ہوا۔ آپ کی کمپنی کی انتظامیاں مشترکا کوششیں کر رہی ہے اور مستقبل میں بہتر کارکردگی کو حاصل کرنے کے لئے کوشش کرنا جاری ہے۔

### مستقبل کا منصوبہ

کمپنی دوبارہ تعمیراتی منصوبے پر توجہ مرکوز کرتی ہے، جو کاروبار کی ترقی کو فروغ دینے، کاروبار کے نقصان کو کم کرنے، آپریشنل قابل عمل کو بہتر بنانے، کمپنی کی منافع بخش حصول داروں کو واپسی کو یقینی بنایا جائے گا۔ امید ہے، ہم اس مالی سال کے اختتام تک ترقی کی منصوبہ بندی حاصل کر سکتے ہیں۔ موجودہ کاروباری حالات اور انتہائی مسابقتی مارکیٹوں کو چیلنجوں کا مقابلہ جاری رکھا جائے گا۔

### مالی اہمیت

تین ماہ کے عرصے تک آپ کی کمپنی کے مقابلے میں مالیاتی نمائشیں 30 ستمبر، 2017 اور 30 ستمبر 2016 کو ختم ہوئیں

2016 2017  
..... 000 روپے میں.....

(11,735) (11,462)

(128) (15)

(279,054) (341,866)

(290,917) (351,635)

(2.18) (2.11)

ٹیکس دینے سے قبل سال کے لئے (نقصان)  
جن میں سے ڈائریکٹروں نے حساب کیا ہے

ٹیکس کے لئے - موجودہ

جمع (نقصانات) آگے بڑھے

بیلنس شیٹ پر جمع کردہ نقصانات

فی حصہ آمدنی - بنیادی اور پتلی

### اعتراف

بورڈ آف ڈائریکٹرز اس کمپنی کے قیمتی گاہکوں، کاروباری شراکت داروں اور دیگر حصول داروں کو اپنی مخلص تعریف کا اظہار کرنا چاہیں گے۔ بورڈ کو پاکستان سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان، اسٹاک ایکسچینج اور سینٹرل ڈیپازٹری کمپنی کو بھی ان کی مسلسل رہنمائی اور پیشہ ورانہ حمایت کا شکریہ ادا کرنا ہوگا۔

بورڈ نے مشکل حالات میں کام کرنے کے لئے کمپنی کے انتظامیاں اور تمام ملازمین کے محنت کا اعتراف کیا ہے۔

بورڈ کے طرف سے ذریعہ کے لئے۔

شہر یار سعید

منیجنگ ڈائریکٹر / سی ای او

کراچی: 30 اکتوبر، 2017

**JOHNSON & PHILLIPS (PAKISTAN) LIMITED**  
 CONDENSED INTERIM BALANCE SHEET UN-AUDITED  
 AS AT SEPTEMBER 30, 2017

	Note	Un-audited September 30 2017	Audited June 30 2017
<b>(Rupees in thousand)</b>			
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	6	173,114	175,318
Intangible assets		-	-
Long term investments		-	-
Long term deposits		940	940
		<b>174,054</b>	176,258
<b>Current assets</b>			
Stock-in-trade		13,831	13,788
Trade debts		727	2,156
Loans and advances	7	16,952	16,474
Deposits, prepayments and other receivable		936	382
Advance tax - net of provision		2,721	2,651
Cash and bank balances		5,023	4,434
		<b>40,190</b>	39,885
		<b>214,244</b>	216,143
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital		80,000	80,000
8,000,000 (June 30, 2017: 8,000,000) ordinary shares of Rs. 10 each		<b>54,500</b>	54,500
Issued, subscribed and paid-up capital		<b>29,727</b>	29,727
5,449,972 (June 30, 2017: 5,449,972) ordinary shares of Rs. 10 each		<b>23,073</b>	23,073
Share premium reserve		<b>(351,635)</b>	(341,866)
General reserve		<b>(244,335)</b>	(234,566)
Accumulated loss		<b>165,420</b>	167,128
Surplus on revaluation of fixed assets	8	<b>115,170</b>	105,772
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	9	<b>105,519</b>	96,121
Deferred liabilities		<b>9,651</b>	9,651
		<b>115,170</b>	105,772
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>166,870</b>	166,690
Current and overdue portion of long term borrowings	9	<b>4,000</b>	4,000
Short Term Borrowing		<b>2,851</b>	2,851
Mark-up accrued		-	-
Unclaimed dividend		<b>4,268</b>	4,268
		<b>177,989</b>	177,809
Contingencies and Commitments	11	<b>214,244</b>	216,143

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

\_\_\_\_\_  
 Chief Executive

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Chief Financial Officer

# JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UN-AUDITED  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Three months period ended	
	September 2017	September 2016
	---Rupees in thousand---	
Revenue from sales and services-net	1,500	10,468
Cost of sales and services	(7,617)	(16,117)
<b>Gross loss</b>	<b>(6,117)</b>	<b>(5,649)</b>
<b>Operating expenses</b>		
Distribution cost	(142)	(462)
Administrative expenses	(4,092)	(4,440)
Other income	-	10
	<b>(4,234)</b>	<b>(4,892)</b>
	<b>(10,351)</b>	<b>(10,540)</b>
Finance cost	(1,111)	(1,195)
<b>Loss before taxation</b>	<b>(11,462)</b>	<b>(11,735)</b>
Taxation	(15)	(128)
<b>Loss after taxation</b>	<b>(11,477)</b>	<b>(11,863)</b>
<b>Loss per share-basic and diluted</b>	<b>(2.11)</b>	<b>(2.18)</b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer

# JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Three months period ended September 30	
	2017	2016
	-----Rupees in thousand-----	
<b>Loss after taxation</b>	(11,477)	(11,863)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<u>(11,477)</u>	<u>(11,863)</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer

# JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT - UN-AUDITED  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	September 30 2017	September 30 2016
Note	Rupees in thousand	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(11,462)	(11,735)
<b>Adjustments for:</b>		
Depreciation	2,203	2,203
Provision for staff gratuity	-	-
Finance cost	1,111	1,195
	<b>3,314</b>	<b>3,398</b>
<b>Operating loss before working capital changes</b>	<b>(8,148)</b>	<b>(8,338)</b>
<b>Decrease / (increase) in current assets</b>		
Stock-in-trade	43	12,834
Trade debts	237	(4,955)
Loans and advances	(478)	10,188
Deposits, prepayments and other receivable	(554)	61
	<b>(752)</b>	<b>18,127</b>
<b>Decrease in current liabilities</b>		
Trade and other payables	180	(7,478)
	<b>(8,720)</b>	<b>2,312</b>
Income tax (paid) / refunded	(86)	(150)
Gratuity paid	-	-
Finance cost paid	(3)	174
	<b>(89)</b>	<b>24</b>
<b>Net cash used in operating activities</b>	<b>(8,809)</b>	<b>2,335</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>Net cash used in investing activities</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term borrowings	9,398	(2,651)
<b>Net cash from financing activities</b>	<b>9,398</b>	<b>(2,651)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>589</b>	<b>(316)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>4,434</b>	<b>(408)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>5,023</b>	<b>(724)</b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer

# JOHNSON & PHILLIPS (PAKISTAN) LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UN-AUDITED  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Issued, subscribe d and paid-up capital	Reserves			Total
		Capital Share Premium	General	Revenue Accumulated loss	
-----Rupees in thousand-----					
Balance as at July 01, 2016	54,500	29,727	23,073	(279,054)	(171,754)
<b>Total comprehensive loss for the period</b>					
Loss after taxation for the half year ended September 30, 2016	-	-	-	(11,863)	(11,863)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-
Balance as at September 30, 2016	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(290,917)</u>	<u>(183,617)</u>
<b>Balance as at July 01, 2017</b>	<b>54,500</b>	<b>29,727</b>	<b>23,073</b>	<b>(341,866)</b>	<b>(234,566)</b>
<b>Total comprehensive loss for the period</b>					
Loss after taxation for the half year ended September 30, 2017	-	-	-	(11,477)	(11,477)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	1,709	1,709
<b>Balance as at September 30, 2017</b>	<b><u>54,500</u></b>	<b><u>29,727</u></b>	<b><u>23,073</u></b>	<b><u>(351,635)</u></b>	<b><u>(244,335)</u></b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer

## **JOHNSON & PHILLIPS (PAKISTAN) LIMITED**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

### **1 STATUS AND NATURE OF BUSINESS**

Johnson & Phillips (Pakistan) Limited ("the Company") was incorporated in Pakistan as a public limited company on April 15, 1961 and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at C-10, South Avenue, S.I.T.E., Karachi. The Company is principally engaged in manufacturing, installation and selling of electrical equipments. Etheridge Company Limited, held 2,719,536 (June 30, 2017: 2,719,536) ordinary shares of Rs. 10 each of the Company as at period end, which constitute 49.90% of total shares issued.

### **2 GOING CONCERN**

The Company has incurred gross loss of Rs.6.117 million during the 1st Quarter ended September 30, 2017 (September 30, 2016: Rs.5.649 million) and loss after taxation amounting to Rs. 11.477 million (September 30, 2016: Rs. 11.863 million) which has further increased accumulated losses to Rs.351.635 million (June 30, 2017: Rs. 341.866 million) and has resulted in negative equity of Rs.244.335 million (June 30, 2017: Rs.234.566 million).

The sales of the Company is continuously decreasing because of low demand from the private sector. In spite of the above stated circumstances the management of the company still consider that the going concern assumption used for preparation of these financial statement is appropriate in view of the following facts.

- i The Company already has its obligations rescheduled in respect of long term loans and financial arrangements, including repayment of principal and accumulated mark-up thereon with various lenders.
- ii Efforts are underway to obtain orders so that sales volume as well as profitability can be achieved and the management expects favorable improvements in forthcoming year. This will be achieved with the re-certification of our product line now under way, so sales to the public sector will commence driving volume, which will boost sales and profitability.
- iii The board has provided in the past continued support to the company and has indicated commitment in order to maintain the going concern status. This is evident from the fact that a Director continues to provide financial support to the Company.

The management of the Company is confident that the above factors shall enable the Company to continue as going concern in foreseeable future; hence, these financial statements have been prepared on going concern assumption.

### **3 BASIS OF PREPARATION**

#### **3.1 Statement of Compliance**

The condensed interim financial information for the three months period ended 30 September 2017 has 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. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all of the information required for full Annual Financial statements and should be read in conjunction with the Audited Annual Financial statements as at and for the year ended 30 June 2017.

### 3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except leasehold land, building and plant and machinery which are stated at revalued amount and the Company's liability under its defined benefit plan (gratuity) which is determined on the present value of the defined benefit obligations determined by an independent actuary.

### 3.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.

## 4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of Audited Annual Financial statements of the Company as at and for the year ended 30 June 2017. Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

## 5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the Audited Annual Financial statements as at and for the year ended 30 June 2017.

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the Audited Annual Financial statements as at and for the year ended 30 June 2017.

<b>Un-audited</b>	Audited
<b>September 30</b>	June 30
<b>2017</b>	2017
<b>Rupees in thousand</b>	

## 6 PROPERTY, PLANT AND EQUIPMENT

### Owned

Opening written down value	<b>243,308</b>	243,307
Depreciation	<b>(70,194)</b>	(67,989)
Closing written down value	<b>173,114</b>	175,318

## 7 LOANS AND ADVANCES

### Loans to subsidiary companies - unsecured

#### Considered doubtful

Johnson & Phillips Industries (Pakistan) Limited (JPI)  
 Johnson & Phillips Transformers (Private) Limited (JPT)  
 Johnson & Phillips EMO Pakistan (Pvt.) Limited (EMO)

Less Provision against doubtful loans

#### Advances - Unsecured, Considered good

To suppliers  
 To employees  
 Against purchase of land  
 Others

#### Sales tax refundable

#### Less: Provision for doubtful advances

## 8 SURPLUS ON REVALUATION OF FIXED ASSETS

Opening balance

Transferred to accumulated loss in respect of incremental depreciation on revalued assets for the period/year

## 9 LONG TERM BORROWINGS

### From related parties

From director  
 From other related parties

### From others

Less: current and overdue portion

	Un-audited September 30 2017	Audited June 30 2017
	Rupees in thousand	
	<b>24,756</b>	24,756
	<b>20,785</b>	20,785
	<b>2,964</b>	2,964
	<b>48,505</b>	48,505
	<b>(48,505)</b>	(48,505)
	-	-
	<b>794</b>	794
	<b>374</b>	356
	<b>2,717</b>	2,717
	<b>70</b>	71
	<b>3,955</b>	3,938
	<b>16,838</b>	16,377
	<b>(3,841)</b>	(3,841)
	<b>16,952</b>	16,474
	<b>167,128</b>	173,962
	<b>(1,709)</b>	(6,834)
	<b>165,420</b>	167,128
	Un-audited September 30 2017	Audited June 30 2017
	Rupees in thousand	
	<b>2,851</b>	28,475
	<b>102,668</b>	67,646
	<b>105,519</b>	96,121
	<b>4,000</b>	4,000
	<b>109,519</b>	100,121
	<b>(4,000)</b>	(4,000)
	<b>105,519</b>	96,121

## 10 TRADE AND OTHER PAYABLES

Creditors	10.1	124,371	123,662
Accrued liabilities		11,191	11,018
Advances from customers		4,826	5,389
Payable to Elmetec (Pvt) Ltd - related party		22,896	23,016
Payable to ex-employees		802	802
Provident fund		290	281
Unclaimed gratuity payable		894	894
Others		1,585	1,619
tax deducted at source		14	9
		<u>166,870</u>	<u>166,690</u>

10.1 These include Rs. 118.66 million (June 2017: 117.270 million) payable to Elmetec (Private) Limited - a related party.

## 11 CONTINGENCIES AND COMMITMENTS

### Contingencies

#### 11.1 Guarantees

The banks have issued guarantees, on behalf of the Company as detailed below:

Guarantees against performance bond	<u>1,794</u>	<u>2,679</u>
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### Labour

11.2 Some legal cases are pending against the Company filed by ex-workers in respect of their claims. The aggregate amounts involved in these cases are Rs. 0.987 million. (2017: 0.987 million).

### Others

11.3 Pursuant to a recovery suit filed by the National Bank of Pakistan against Johnson & Phillips Transformers (Pvt.) Limited (Defendant No.1) and Johnson & Phillips (Pakistan) Limited (Defendant No.2), the Banking Court No. III, Lahore passed a compromise decree.

The Bank agreed that prior to executing the Decree against the Defendant No.2 as guarantor, the Bank will execute against all assets of the Defendant No. 1. Some payments has been made to the Bank while the remaining amount of Rs. 25,894 thousand is still payable. The execution proceedings in this case are now pending before the Banking Court No. III.

11.4 The Company has filed a suit for the recovery of insurance claim of Rs 3.734 million (2017: Rs 3.734 million) in Honorable High Court of Sindh Karachi against the EFU General Insurance Limited and M/s Hanilay & Co. (Private) Limited.

## 12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution of staff benefit funds, return on loans, amounts due from executives and remuneration of directors and executives alongwith other transactions with related parties are given below:

	<b>Un-audited September 30 2017</b>	Audited June 30, 2017
	<b>Rupees in thousand</b>	
<b>12.1 TRANSACTIONS WITH RELATED PARTIES</b>		
<b>Subsidiaries</b>		
Loan provided to subsidiary companies	-	70
Payment made on behalf of subsidiary companies	-	49
Amount adjusted between two subsidiaries	-	7,505
<b>Provident Fund</b>		
Contribution paid to Provident Fund	<b>72</b>	199
<b>Directors</b>		
Director's fee paid	-	370
Markup on long term borrowings paid	-	1,697
Loan received	-	335
Funds received during the period	-	1,962
Funds repaid during the period	-	1,180
<b>Other related parties due to close family relationship with director</b>		
Long term Loan received	-	9,800
Purchases	<b>1,401</b>	10,521
Funds received - net	<b>7,419</b>	4,557
Markup on long term borrowings	<b>1,109</b>	2,713

### 13 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on October 30, 2017 by the Board of Directors of the Company.

### 14 GENERAL

Figures have been rounded off to the nearest thousand rupee.

\_\_\_\_\_  
Chief Executive

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Director

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Chief Financial Officer

# JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Balance Sheet - Un-Audited

As At September 30, 2017

	Note	Un-audited 30-Sep 2017	Audited June 30 2017
<b>(Rupees in thousand)</b>			
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipments	4	173,114	175,318
Intangible assets		-	
Long term deposits		1,566	1,566
		<b>174,680</b>	176,884
<b>Current Assets</b>			
Assets held for sales		-	-
Store, spares and loose tools		-	-
Stock-in-trade		13,831	13,788
Trade debts		727	2,156
Loans and advances		17,169	16,641
Deposits, prepayments and other receivables		1,589	1,085
Advance tax - net of provision		5,376	5,306
Cash and bank balances		5,186	13,810
		<b>43,878</b>	52,786
		<b>218,558</b>	229,670
<b>Equity And Liabilities</b>			
<b>Share Capital And Reserves</b>			
Authorised capital			
8,000,000 (June 30, 2017: 8,000,000) ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid-up capital		54,500	54,500
Share premium reserve		29,727	29,727
General reserve		23,073	23,073
Accumulated loss		(370,018)	(349,328)
		<b>(262,718)</b>	(242,028)
Non-controlling interest		-	-
Surplus on revaluation of property, plant and equipments		165,420	167,128
Advance against share capital		-	-
<b>Non-Current Liabilities</b>			
Long term borrowings		105,519	96,121
Deferred liabilities		10,247	10,247
		<b>115,766</b>	106,368
<b>Current Liabilities</b>			
Trade and other payables		182,627	182,447
Short term borrowings		8,635	6,927
Current and overdue portion of long term borrowings		4,000	4,000
Mark-up accrued		-	-
Unclaimed dividend		4,268	4,268
Taxation		560	560
		<b>200,090</b>	198,202
<b>Contingencies and Commitments</b>			
	5		
<b>Total Equity And Liabilities</b>		<b>218,558</b>	229,670

The annexed notes 1 to 8 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

Chief Financial Officer

# JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Profit And Loss Account - Un-Audited  
For The Three Months Period Ended September 30, 2017

	Quarter ended September 30	
	2017	2016
	------(Rupees in thousand)-----	
Revenue from sales and services-net	1,500	10,468
Cost of sales and services	(7,617)	(16,117)
<b>Gross Profit / (Loss)</b>	<b>(6,117)</b>	<b>(5,649)</b>
<b>Operating expenses</b>		
Distribution cost	(142)	(462)
Administrative expenses	(4,092)	(4,440)
Gain / (Loss) on sale of assets held for sale	(9,213)	-
Other operating income	-	10
<b>Operating Profit / (Loss)</b>	<b>(19,564)</b>	<b>(10,540)</b>
Finance cost	(1,111)	(1,195)
<b>Profit / (Loss) before taxation</b>	<b>(20,675)</b>	<b>(11,735)</b>
Taxation	(15)	(128)
<b>Gain / (Loss) after taxation</b>	<b>(20,690)</b>	<b>(11,863)</b>
<b>Loss attributable to:</b>		
- Owners of the Holding company	-	-
- Non-controlling interest	-	-
<b>Loss for the period</b>	<b>-</b>	<b>-</b>
<b>Loss per share - basic and diluted</b>	<b>(3.80)</b>	<b>(2.18)</b>

The annexed notes 1 to 8 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive

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Director

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Chief Financial Officer

## JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Statement Of Comprehensive Income - Un-Audited  
For The Three Months Period Ended September 30, 2017

	1st Quarter ended September 30	
	2017	2016
	------(Rupees in thousand)-----	
<b>Profit / (Loss) after taxation</b>	<b>(20,690)</b>	(11,863)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(20,690)</b>	(11,863)
<b>Total comprehensive loss attributable to:</b>		
- Owners of the Holding company	-	-
- Non-controlling interest	-	-
	<b>-</b>	<b>-</b>

The annexed notes 1 to 8 form an integral part of this condensed interim consolidated financial information.

Chief Executive

Director

Chief Financial Officer

**JOHNSON & PHILLIPS (PAKISTAN) LIMITED**

Condensed Interim Consolidated Cash Flow Statement - Un-Audited  
For The Three Months Period Ended September 30, 2017

Note	September 30 2017 (Rupees in thousand)	September 30 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before taxation</b>	<b>(20,675)</b>	(11,735)
<b>Adjustments for:</b>		
Depreciation	2,203	2,203
Gain / (Loss) on disposal of held ofr sale assets	10,716	-
Provision for staff gratuity	-	-
Finance cost	1,111	1,195
	<b>14,030</b>	3,398
<b>Operating (Loss) / Profit before working capital changes</b>	<b>(6,645)</b>	(8,337)
<b>Decrease in current assets</b>		
Stock-in-trade	6,953	12,834
Trade debts	237	(4,955)
Loans and advances	8,527	10,188
Deposits, prepayments and other receivable	(554)	61
	<b>15,163</b>	18,127
<b>Decrease / (increase) in current liabilities</b>		
Trade and other payables	180	(7,478)
<b>Net cash from operations</b>	<b>8,698</b>	2,312
Taxes paid	(86)	-
Gratuity paid	-	(150)
Finance cost paid	(3)	174
	<b>(89)</b>	24
<b>Net cash used in operating activities</b>	<b>10,864</b>	2,336
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure incurred	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>-</b>	-
Sale proceed from disposal of held for sale assets	21,345	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowing	9,398	-
Short term borrowings obtained	16	(2,651)
Short term borrowing repaid to bank	(29,669)	-
Short term borrowing repaid to holding company	(7,487)	-
	<b>(37,140)</b>	-
<b>Net decrease in cash and cash equivalents</b>	<b>13,276</b>	(2,651)
	<b>589</b>	(316)
<b>Cash and cash equivalents at beginning of the period</b>	<b>4,597</b>	(408)
<b>Cash and cash equivalents at end of the period</b>	<b>5,186</b>	(724)

The annexed notes 1 to 8 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive

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Director

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Chief Financial Officer

**JOHNSON & PHILLIPS (PAKISTAN) LIMITED**

Condensed Interim Consolidated Statement Of Changes In Equity - Un-Audited  
For The Quarter Ended September 30, 2017

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital Share Premium	General	Unappropriated loss	
------(Rupees in thousand)-----					
<b>Balance as at July 01, 2016</b>	<b>54,500</b>	<b>29,727</b>	<b>23,073</b>	<b>(279,054)</b>	<b>(171,754)</b>
<b>Total comprehensive loss for the period</b>					
Loss after taxation for the period	-	-	-	(11,863)	(11,863)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	-	-
<b>Balance as at September 30, 2016 (Restated)</b>	<b>54,500</b>	<b>29,727</b>	<b>23,073</b>	<b>(290,917)</b>	<b>(183,617)</b>
<b>Balance as at July 01, 2017</b>	<b>54,500</b>	<b>29,727</b>	<b>23,073</b>	<b>(349,328)</b>	<b>(242,028)</b>
<b>Total comprehensive loss for the period</b>					
Loss after taxation for the period	-	-	-	(20,690)	(20,690)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	-	-
<b>Balance as at September 30, 2017</b>	<b>54,500</b>	<b>29,727</b>	<b>23,073</b>	<b>(370,018)</b>	<b>(262,718)</b>

The annexed notes 1 to 8 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

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Chief Financial Officer

## JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Condensed Interim Consolidated Notes To The Financial Information - Un-Audited

For The Three Months Period Ended September 30, 2017

### 1 STATUS AND NATURE OF BUSINESS

- 1.1 Johnson & Phillips (Pakistan) Limited ("the Holding Company") was incorporated in Pakistan as a public limited company on April 15, 1961 and its shares are quoted on Paksitan Stock Exchange Limited. The registered office of the Holding Company is situated at C-10, South Avenue, S.I.T.E., Karachi. The Holding Company is principally engaged in manufacturing, installing and selling of electrical equipments. Etheridge Company Limited, held 2,719,536 (June 30, 2017: 2,719,536) ordinary shares of Rs. 10 each of the Holding Company as at September 30, 2017 which constitute 49.90% of total shares issued.

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 equipments/appliances and participation in turnkey engineering industrial projects.

The following Subsidiary Companies have been consolidated in the condensed interim consolidated financial information of the Holding Company:

Subsidiary Companies	Company Status	Group Holding
Johnson & Phillips Industries (Pakistan) Limited	Public Limited	100%
Johnson & Phillips Transformers (Private) Limited	Private Limited	70%
Johnson & Phillips EMO Pakistan (Private) Limited	Private Limited	51%

- 1.2 The subsidiaries of the Group, Johnson & Phillips Industries (Pakistan) Limited and Johnson & Phillips Transformer (Private) Limited ceased production in July 1997 and February 1998 respectively. The accumulated losses of the Group as at September 30, 2017 stand at Rs. 370.018 million (June 30, 2017: Rs. 349.328 million) resulting in a negative equity of Rs. 262.718 million (June 30, 2017: Rs. 242.028 million) and as at that date the Group's current liabilities exceeded its current assets by Rs. 156.212 million (June 30, 2017: Rs. 145.416 million). Consequently, the ability of the Group to continue as a going concern is dependent on the following significant factors:

Inspite of the above stated circumstances the management of the Holding Company still considers that the going concern assumption used for the preparation of these unaudited consolidated interim financial statements is appropriate in view of the following major facts:

- i) The Holding Company has already got its obligations rescheduled in respect of long term loans and financial arrangements, including repayment of principal and accumulated markup thereon with various lenders.
- ii) Efforts are underway to obtain orders so that sales volume as well as profitability can be maintained and the management expects favorable improvements during the period ended September 30, 2017. The Strategic Business Revival Plan put forward by Management is approved by Board of Directors.
- iii) The Board of Holding company has provided in past continued support and expresses its commitment in order to maintain the going concern status of the Holding Company. This support is evident from the fact that a Director had in the past provided loan and financial support to the Holding Company.

The management of the Holding Company is confident that the above factors shall enable the Holding Company to continue as going concern for foreseeable future; hence, these consolidated financial statements have been prepared on going concern assumption.

## 2 BASIS OF CONSOLIDATION

This interim consolidated financial information has been prepared from the information available in the un-audited separate financial information of the Holding Company for the 1st, quarter ended September 30, 2017 and the un-audited financial information of the Subsidiary Companies for the 1st, quarter ended September 30, 2017.

The financial information 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 interim consolidated financial information.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Preparation

This condensed interim consolidated financial information of the Company for the 1st, quarter ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim consolidated financial information does not include all of the information and disclosures required for annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 30 June 2017. Comparative consolidated balance sheet is extracted from annual consolidated financial statements as at June 30, 2017 whereas comparative consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity were extracted from un-audited condensed interim consolidated financial information for the 1st, quarter ended September 30, 2017.

### 3.2 Accounting Convention

The accounting policies, significant judgements made in the application of accounting policies, keys sources of estimations, the methods of computation adopted in preparation of this condensed interim consolidated financial information and financial risk management policy were the same as those applied in the preparation of the preceding quarterly consolidated financial statements of the Company for the quarter ended September 30, 2016.

## 4 PROPERTY, PLANT AND EQUIPMENT-TANGIBLE

	Un-audited September 30 2017	Audited June 30 2017
	(Rupees in thousand)	
<b>Owned</b>		
Opening written down value	175,317	177,521
Additions	-	-
Depreciation	(2,203)	(2,203)
Closing written down value	<u>173,114</u>	<u>175,318</u>

## 5 CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

#### 5.1.1 a) Guarantees

Un-audited September 30 2017 (Rupees in thousand)	Audited June 30 2017
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The banks have issued guarantees, on behalf of the Company as detailed below:

Guarantees against performance bond

1,794	2,679
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#### 5.1.1 b) Labour, Others, Professional Fee Payable, & Unsecured Loan.

There were no change in status of Labour, Others, Professional fee payable, & Unsecured Loan as disclosed in the last audited annual consolidated financial statements for the year ended June 30, 2017.

### 5.2 Commitments

There is no commitment as on September 30, 2017. (June 30, 2017: Nil)

## 6 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, contribution of staff benefit funds, return on loans, amounts due from executives and remuneration of directors and executives alongwith other transactions with related parties are given below:

Un-audited September 30 2017 (Rupees in thousand)	Audited June 30 2017
--	----------------------------

Payments made on behalf of subsidiary companies

-	49
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Payment of loan on behalf of a subsidiary company

-	70
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Remuneration and benefits to key management personnel

1,200	6,072
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Payment of contribution provident fund trust

72	199
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All transactions with related parties have been carried out by the Holding Company at arm's length prices using the comparable uncontrolled price method.

## 7 DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorized for issue on October 30, 2017 by the Board of Directors of the Holding Company.

## 8 GENERAL

Figures have been rounded off to the nearest thousand rupee.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer