

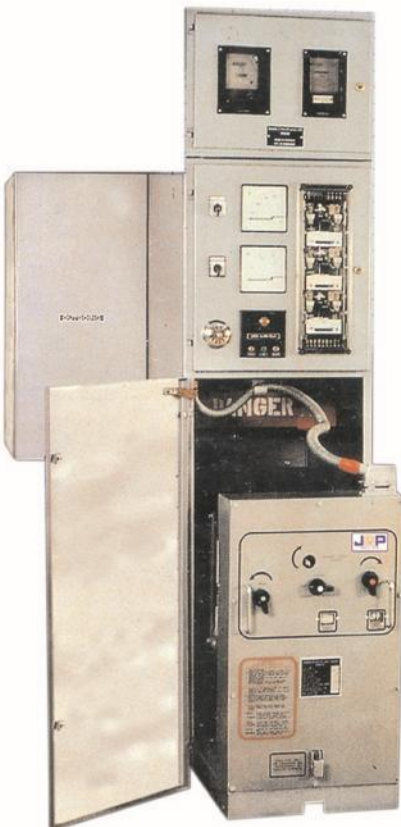


Johnson & Phillips (Pakistan) Limited

March 31,

2019

*3rd Quaterly Account
(Un-Audited)*



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COMPANY INFORMATION

Board of Directors

Mr. Salman Ganny	Chairman
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
Mr. Shehryar Saeed	Director/CEO

Board of Audit Committee

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

Board of HR Committee

Mr. Syed Jamshed Zaidi	Chairman
Mr. Salman Ganny	Member
Ms. Mariam Shafi	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, Advocates, & 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.
JS Bank

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 nine months period ended March 31, 2019.

Business Review

The Sales -net for the nine months period was Rs.3.3M as compared to Rs.4.3M for the corresponding period of last year. The cost of sales for the nine months period was 6.4M as compared to Rs.11.1M.

The Gross loss of the Company was Rs. (3.1M) against a loss of Rs. (6.8M) in the corresponding period of last year.

The Company's Distribution cost, Administrative expenses and finance cost during the nine months period ended March 31, 2019 was Rs.22.3M as against Rs.23.5M in the corresponding period of previous year. The Company is in the process of reorganizing its activities.

A loss after tax of Rs.24.6M was reported for the nine month periods ended March 31, 2019 compared to a loss after tax of Rs.28.2M 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

Mr. Muhammad Anis Mianoor through its manager to the offer - Next Capital Limited on November 27, 2018 has submitted Public Announcement of Intention to acquire additional 49.90% shares and control of Johnson & Phillips (Pakistan) Limited. They already hold 9.80% shares of the Company.

Financial Highlights

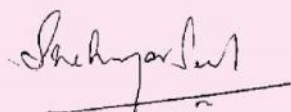
The comparative financial highlights of your Company for the nine months period ended March 31, 2019 and March 31, 2018 are as follows:

	2019	2018
Rupees in '000.....	
(Loss) for the year before taxation	(25,199)	(28,759)
Out of which the Directors have accounted		
For taxation - current	608	565
Accumulated (Losses) brought forward	(384,883)	(341,866)
Accumulated losses carried over to Balance Sheet	(405,018)	(366,642)
Earnings per share - basic & diluted	(4.51)	(5.17)

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 support.

For and on behalf of the Board.



Shehryar Saeed
Managing Director / CEO
Karachi: April 27, 2019



Salman Ganny
Director

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کو 31 مارچ، 2019 کو ختم ہونے والے نو ماہ کے عرصے کے دوران کمپنی کے غیر آڈٹ شدہ مالیاتی بیانات پیش کرنا چاہیں گے۔

کاروباری جائزہ

نو ماہ کے عرصے کے لئے فروخت گزشتہ سال کی اسی مدت کے لئے 4.3 ملین کے مقابلے میں 3.3 ملین روپے تھی۔ نو ماہ کے عرصے کے لئے فروخت کی قیمت 6.4 ملین روپے تھی جبکہ اس کے مقابلے میں 11.1 ملین روپے تھی۔ کمپنی کا مجموعی نقصان تھا۔ (3.1) ملین کے نقصان کے خلاف (6.8) ملین روپے تھی گزشتہ سال کی اسی مدت میں 31 مارچ، 2019 تک ختم ہونے والے نو ماہ کے دوران کمپنی کی تقسیم کی لاگت، انتظامی اخراجات اور فنانس کی لاگت گزشتہ سال اسی مدت میں 23.50 ملین روپے۔ کمپنی اپنی سرگرمیاں دوبارہ منظم کرنے کے عمل میں ہے۔ اسی عرصہ میں 22.3 ملین روپے کے ٹیکس کے بعد نقصانات کے مقابلے میں 31 مارچ، 2019 کو نو ماہ کی مدت ختم ہونے کے لئے 24.6 ملین روپے کے ٹیکس کے بعد نقصان ہوا۔ گزشتہ سال اسی مدت میں ٹیکس کے بعد نقصان 28.20 ملین تھا آپ کی کمپنی کا انتظام کنسرٹ کی کوششیں کر رہا ہے اور مستقبل میں بہتر کارکردگی کو حاصل کرنے کے لئے کوشش کرنا جاری ہے۔

مستقبل کا منصوبہ

جناب محمد انیس میاں نور نے اپنے مینجمر کے ذریعہ پیشکش کرنے کے بعد نیکیٹ کیپٹل لمیٹڈ 27 نومبر، 2018 کو 49.90 فیصد اضافی حصص اور جانسن اور فلپس (پاکستان) لمیٹڈ کے حصول کے لیے ارادہ کا عوامی اعلان پیش کیا ہے۔ وہ کمپنی کے 9.80 فیصد حصص کو پہلے ہی حاصل کر چکے ہیں۔

مالیاتی نمائش

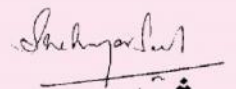
نو ماہ کے عرصے تک آپ کی کمپنی کا موازنہ مالیاتی نمائش 31 مارچ، 2019 اور 31 مارچ، 2018 تک جاری ہے۔

2018	2019	
000	روپے میں.....
(28,759)	(25,199)	ٹیکس دینے سے قبل سال کے لئے (نقصان)
		جن میں سے ڈائریکٹرز کا وٹس ہیں
565	608	ٹیکس کے لئے - موجودہ
(341,866)	(384,883)	جمع (نقصانات) آگے بڑھے
(366,642)	(405,018)	بیلاس شیٹ تک جمع کئے جانے والے نقصانات
(5.17)	(4.51)	آمدنی فی حصہ - بنیادی اور پتلی

اعتراف

بورڈ آف ڈائریکٹرز کو کمپنی کے قیمتی مشترکہ گاہکوں، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کو اپنی مخلص تعریف کا اظہار کرنا ہوگا۔ بورڈ کو پاکستان سیکورورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹاک ایکسچینج اور سینٹرل ڈپازٹری کمپنی کو بھی ان کی مسلسل رہنمائی اور تعاون کا شکریہ ادا کرنا ہوگا۔ بورڈ کے ذریعہ اور کے لئے۔

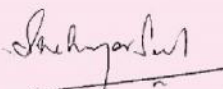

 سلمان غنی
 ڈائریکٹر


 شریار سعید
 ڈائریکٹر / چیف ایگزیکٹو آفیسر
 کراچی، 27 اپریل 2019

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - UN-AUDITED
AS AT MARCH 31, 2019

	Note	Un-audited March 31 2019	Audited June 30 2018
(Rupees in thousand)			
ASSETS			
Non-Current assets			
Property, plant and equipment	7	479,639	14,194
Intangible assets		-	-
Long term investments		-	-
Long term deposits		559	559
		480,198	14,753
Current assets			
Stock-in-trade		3,681	1,926
Trade debts		45	-
Loans and advances	8	48	62
Deposits, prepayments and other receivable		456	40
Advance tax - net of provision		23,578	23,584
Cash and bank balances		136	4,556
		27,944	30,168
Non -Current assets classified as held for sale	6	-	472,158
		508,142	517,079
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized 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
5,449,972 (June 30, 2017: 5,449,972) ordinary shares of Rs. 10 each			
Share premium reserve		29,727	29,727
General reserve		23,073	23,073
Surplus on revaluation of property plant equipment	9	469,924	474,380
Accumulated loss		(405,018)	(384,883)
		172,206	196,797
NON-CURRENT LIABILITIES			
Long term borrowings	10	130,791	120,041
Deferred liabilities		13,318	13,908
		144,109	133,949
CURRENT LIABILITIES			
Trade and other payables	11	180,708	175,214
Current and overdue portion of long term borrowings	10	4,000	4,000
Short term borrowing		2,851	2,851
Unclaimed dividend		4,268	4,268
		191,827	186,333
Contingencies and Commitments	12	-	-
		508,142	517,079

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information


Chief Executive

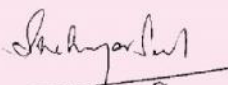

Director


Chief Financial Officer

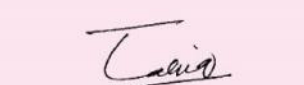
JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - UN-AUDITED
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months period ended		Three months period ended	
	March 31	March 31	March 31	March 31
	2019	2018	2019	2018
-----Rupees in thousand-----				
Revenue from sales and services-net	3,304	4,289	1,275	2,260
Cost of sales and services	(6,436)	(11,064)	(4,054)	4,633
Gross loss	(3,132)	(6,775)	(2,779)	6,893
Operating expenses				
Distribution cost	(504)	(541)	(176)	(213)
Administrative expenses	(14,878)	(19,285)	(5,563)	(9,970)
Other income	229	1,502	1,230	(43)
	(15,153)	(18,324)	(4,509)	(10,226)
	(18,285)	(25,099)	(7,288)	(3,333)
Finance cost	(6,914)	(3,660)	(4,575)	(1,321)
Loss before taxation	(25,199)	(28,759)	(11,863)	(4,654)
Taxation	608	565	1,196	1,153
Loss after taxation	(24,591)	(28,195)	(10,667)	(3,501)
Loss per share-basic and diluted	(4.51)	(5.17)	(1.96)	(0.64)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information


Chief Executive

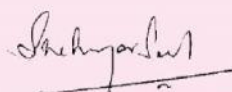

Director


Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months period ended		Three months period ended	
	March 31		March 31	
	2019	2018	2019	2018
	-----Rupees in thousand-----			
Loss after taxation	(24,591)	(28,195)	(10,667)	(3,501)
Other comprehensive income	-	-	-	-
Total comprehensive loss	<u>(24,591)</u>	<u>(28,195)</u>	<u>(10,667)</u>	<u>(3,501)</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information


Chief Executive


Director


Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS - UN-AUDITED
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

March 31
2019 March 31
2018

Rupees in thousand

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation (25,199) (28,759)

Adjustments for:

Depreciation	2,648	6,610
Provision for staff gratuity	-	-
Finance cost	6,914	3,660
	9,562	10,270

Operating loss before working capital changes (15,637) (18,489)

Decrease / (increase) in current assets

Stock-in-trade	(1,755)	1,342
Trade debts	(45)	1,066
Loans and advances	14	(4,275)
Deposits, prepayments and other receivable	(416)	(742)
	(2,202)	(2,609)

Increase / (Decrease) in current liabilities

Trade and other payables	5,494	6,565
	(12,345)	(14,533)

Income tax (paid) / refunded (114) (451)

Gratuity paid - (20)

Finance cost paid (6,914) (15)

(7,028) (486)

Net cash used in operating activities (19,373) (15,019)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure incurred (55) (41)

Sale proceed from disposal of property, plant & equipment 1,129 -

1,074 (41)

CASH FLOWS FROM FINANCING ACTIVITIES

Long term borrowings received 13,879 10,814

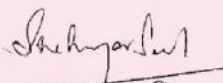
Net cash from financing activities 13,879 10,814

Net decrease in cash and cash equivalents (4,420) (4,246)

Cash and cash equivalents at beginning of the period 4,556 4,434

Cash and cash equivalents at end of the period 136 188

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information


Chief Executive


Director


Chief Financial Officer

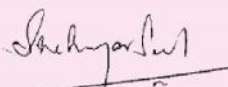
JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UN-AUDITED
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

Capital Reserve			Revenue Reserve		
Issued Subscribed & Paid up capital	Share premium Reserve	Surplus On Revaluation Of Property Plant & Equipment	General Reserve	Accumulated Loss	Total

-----Rupees in thousand-----

Balance as at July 01, 2017	54,500	29,727	-	23,073	(341,866)	(234,566)
Total comprehensive loss for the period						
Loss after taxation for the half year ended March 31, 2017	-	-	-	-	(28,194)	(28,194)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	3,418	3,418
Balance as at March 31, 2018	<u>54,500</u>	<u>29,727</u>	<u>-</u>	<u>23,073</u>	<u>(366,642)</u>	<u>(259,342)</u>
Balance as at July 01, 2018	54,500	29,727	474,380	23,073	(384,883)	196,797
Total comprehensive loss for the period						
Loss after taxation for the half year ended March 31, 2018	-	-	-	-	(24,591)	(24,591)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	(4,456)	-	4,456	-
Balance as at March 31, 2019	<u>54,500</u>	<u>29,727</u>	<u>469,924</u>	<u>23,073</u>	<u>(405,018)</u>	<u>172,206</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information


Chief Executive


Director


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

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, 2018: 2,719,536) ordinary shares of Rs. 10 each of the Company as at period end, which constitute 49.90% of total shares issued.

The geographical location and address of the Company's business units, including plant is as under:

The registered office and plant of the Company is situated at C-10, South Avenue, S.I.T.E., Karachi.

1.2 Significant transactions and events affecting the Company's financial position and performance in the current reporting period

- Reclassification of Non Current Assets classified as Held for Sale

The Company has reclassified its Non Current Assets to property, plant and equipment, which were previously classified as held for sale in the latest audited financial statements, owing to the fact that an existing shareholder, Mr. Anis Mianoor (Acquirer) has filed an intention to acquire additional 49.9% shares and control of the Company. Accordingly, the Company believes that its decision to classify the non current assets (Land and Building) as held for sale, in accordance with IFRS - 5 is no longer relevant.

2 GOING CONCERN

The Company has incurred gross loss of Rs. 3.132 million during the nine months period ended March 31, 2019 (March 31, 2018: Rs.6.775 million) and loss after taxation amounting to Rs.24.591 million (March 31, 2018: Rs.28.195 million) which has further increased accumulated losses to Rs.405.018 million (June 30, 2018: Rs.384.883 million). The Company has negative net current assets of Rs.163.883 million (June 30, 2018: Rs. 156.165 million). These conditions indicate the existence of material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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, this condensed interim financial information have been prepared on going concern assumption.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

This condensed interim financial information of the Company for the period ended March 31, 2019 has been prepared in accordance with the requirements of 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 is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange Limited and under section 237 of the Companies Act, 2017.

3.2 Accounting convention

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 SUMMARY OF 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 the financial statements for the year ended June 30, 2018.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the financial statements for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2018.

6 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The management of the Company has decided to reclassify its Non Current Assets to property, plant and equipment due to the fact disclosed in note 1.2 to these financial statements. Therefore, these have been classified as property, plant and equipment:

	Un-Audited March 31 2019 Rupees in thousand
Leasehold land	448,558
Building on leasehold land	23,600
Reclassification adjustment charged to revaluation surplus:	
Leasehold land	(7,933)
Building on leasehold land	(2,200)
Written down value reclassified to property, plant & equipment:	
Leasehold land	(440,625)
Building on leasehold land	(21,400)
	-

Un-audited	Audited
March 31	June 30
2019	2018

Rupees in thousand

7 PROPERTY, PLANT AND EQUIPMENT

Owned

Opening written down value	14,194	49,630
Surplus on Revaluation	469,167	-
Addition	55	-
Disposal	(1,129)	-
Depreciation	(2,648)	(35,436)
Closing written down value	479,639	14,194

8 LOANS AND ADVANCES

Loans to subsidiary companies - unsecured

Considered doubtful

Johnson & Phillips Industries (Pakistan) Limited (JPI)	24,835	24,835
Johnson & Phillips Transformers (Private) Limited (JPT)	20,864	20,864
Johnson & Phillips EMO Pakistan (Pvt.) Limited (EMO)	3,012	3,012
	48,711	48,711
Less Provision against doubtful loans	(48,711)	(48,711)
	-	-

Advances - Unsecured, Considered good

To suppliers	794	774
To employees	307	341
Against purchase of land	2,717	2,717
Others	71	71
	3,889	3,903

Less: Provision for doubtful advances against:

(3,841)	(3,841)
48	62

9 SURPLUS ON REVALUATION OF FIXED ASSETS

	Un-audited March 31 2019	Audited June 30 2018
	Rupees in thousand	
Opening balance	474,380	480,321
Transferred to accumulated loss in respect of incremental depreciation on revalued assets for the period/year	(4,456)	(5,941)
	<u>469,924</u>	<u>474,380</u>

10 LONG TERM BORROWINGS*From related parties***Other related parties**

Principal	81,893	78,013
Accumulated markup	48,898	42,028
	<u>130,791</u>	<u>120,041</u>

From others

	4,000	4,000
	<u>134,791</u>	<u>124,041</u>
Less: current and overdue portion	(4,000)	(4,000)
	<u>130,791</u>	<u>120,041</u>

11 TRADE AND OTHER PAYABLES

Creditors		5,197	5,255
Accrued liabilities		25,382	19,067
Advances from customers		4,710	5,527
Payable to Elmetec (Pvt) Ltd - related party	11.1	142,081	142,289
Payable to ex-employees		802	802
Provident fund		440	187
Unclaimed gratuity payable		894	894
Others	11.2	1,196	1,182
Tax deducted at source		6	11
		<u>180,708</u>	<u>175,214</u>

11.1 Payable to Elmetec (Pvt) Ltd - related party

Against supply of material	119,506	119,397
Advance received	22,575	22,892
	<u>142,081</u>	<u>142,289</u>

11.2 This includes Rs.0.946 million (30 June 2018 : Rs. 0.933 million) payable to Chief Executive of the Company.

12 CONTINGENCIES AND COMMITMENTS**Contingencies****12.1 Guarantees**

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

Guarantees against performance bond	<u>1,794</u>	<u>1,794</u>
-------------------------------------	--------------	--------------

12.2 Labour

Some legal cases are pending against the Company filed by ex-workers to re-instate them on their jobs. No definite outcome of the cases can be anticipated, however, in the opinion of legal advisors, the Company has good case in its favour.

12.3 Income tax and sales tax

12.3.1 Audit u/s 177 (1) read with section 214(C) & 214(D) of the Income Tax Ordinance 2001 for tax year 2015 and 2016 are pending before assistant / deputy commissioner Inland Revenue, Zone-I, Unit-II, Large Tax Payer Unit-II, Karachi. The Company's tax advisor expects a favourable outcome of the case.

12.3.2 Monitoring of withholding taxes under audit u/s 161 (1A) of the Income Tax Ordinance, 2001 for tax year 2016 and 2017 are pending before assistant / deputy commissioner Inland Revenue, Zone-I, Unit-II, Large Tax Payer Unit-II, Karachi. The Company's tax advisor expects a favourable outcome of the case.

12.3.3 In 2017 an order was passed by additional commissioner IR raising demand of Rs.5.988 million for default in deduction / payment of withholding sales tax and recovered Rs.4.268 million from the Company's bank accounts. The Company has filed appeal u/s 45 (B) of the Sales Tax Act, 1990 against the said order which is pending before Honourable Commissioner (Appeals-IV) Inland Revenue. The recovered amount is shown under sales tax refundable. The Company's tax advisor expects a favourable outcome of the case.

Others

12.4 "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. The entire amount of loan has been settled by the subsidiary company, however, the bank has not yet issued No Obligation Certificate (NOC) to the subsidiary company."

12.5 The Company had filed a suit for the recovery of insurance claim of Rs 3.735 million (2018: Rs 3.735 million) in Honorable High Court of Sindh at Karachi against the EFU General Insurance Limited and M/s Hanilay & Co. (Private) Limited. However, the Honorable High Court of Sindh dismissed the suit for want of jurisdiction. The Company has filed appeal against the impugned judgment which is currently at the stage of regular hearing.

12.6 Commitments

There is no commitment as at March 31, 2019 (June 30, 2018 : Nil)

13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of group companies, entities with common directorship, directors and their close family members, associated undertakings and key management personnel .

The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere are as follows:

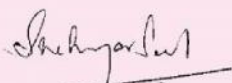
Name of the related party	Relationship	Transactions during the period and period end balances	Un-audited March 31 2019	Un-audited March 31 2018
Rupees in thousand				
Provident Fund	Related party	Contribution paid to Provident Fund	265	263
		Amount due at period end	402	137
Mr. Shehryar Saeed	Chief Executive	Remuneration	1,800	1,800
		Amount due at period end	947	1,038
Elmetec (Pvt.) Limited	Other related party on the basis of close family member of a director has controlling interest in the Company	Long term Loan received	7,550	14,479
		Funds repayment	4,270	4,269
		Purchases	767	2,985
		Markup accrued on long term borrowings	4,310	2,131
		Amount due at period end	76,768	60,965
Mr.Bilal Qureshi	Other related party on the basis of close family member of a director	Markup accrued on long term borrowings	1,812	1,294
		Amount due at period end	33,939	30,373
Mr.Faysal Qureshi	Other related party on the basis of close family member of a director	Markup accrued on long term borrowings	762	220
		Amount due at period end	20,083	19,242
Mr. Salman Ganny	Director	Amount due at period end	2,851	2,851
14 DATE OF AUTHORIZATION			2,851	2,851

14 DATE OF AUTHORIZATION

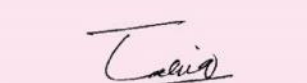
This condensed interim financial information was authorized for issue on April 27, 2019 by the Board of Directors of the Company.

15 GENERAL

Figures have been rounded off to the nearest thousand rupee.


Chief Executive

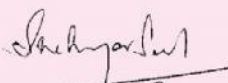

Director


Chief Financial Officer


JOHNSON & PHILLIPS (PAKISTAN) LIMITED
Condensed Interim Consolidated Statement of Financial Position - Un-Audited
AS AT MARCH 31, 2019

	Note	Un-audited March 31 2019 (Rupees in thousand)	Audited June 30 2018
<i>Assets</i>			
Non-Current Assets			
Property, plant and equipments	5	479,639	14,194
Intangible Asstes		-	-
Long term deposits		559	559
		480,198	14,753
Current Assets			
Stock-in-trade		3,681	1,926
Trade debts		45	-
Loans and advances		48	62
Deposits, prepayments and other receivables		456	40
Advance tax - net of provision		26,233	26,239
Cash and bank balances		136	4,556
		30,599	32,823
Non Current Asset classified as held for sale		-	472,158
Total Assets		510,797	519,734
<i>Equity And Liabilities</i>			
Share Capital And Reserves			
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
Surplus on revaluation of property, plant and equipments		469,924	474,380
General reserve		23,073	23,073
Accumulated loss		(411,973)	(391,839)
		165,251	189,841
Non-controlling interest		-	-
Non-Current Liabilities			
Long term borrowings		130,791	120,041
Deferred liabilities		13,914	14,504
		144,705	134,545
Current Liabilities			
Trade and other payables		185,478	179,984
Short term borrowings		6,535	6,536
Current and overdue portion of long term borrowings		4,000	4,000
Mark up accrued		-	-
Unclaimed dividend		4,268	4,268
Taxation		560	560
		200,841	195,348
Contingencies and Commitments	6.1.1	-	-
Total Equity And Liabilities		510,797	519,734

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.


Chief Executive

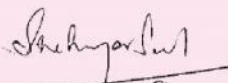

Director


Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
Condensed Interim Consolidated Statement of Profit Or Loss - Un-Audited
For The Nine Months Period Ended March 31, 2019

	Nine Months ended March 31		Quarter ended March 31	
	2019	2018	2019	2018
	------(Rupees in thousand)-----			
Revenue from sales and services-net	3,304	4,289	1,275	2,260
Cost of sales and services	(6,436)	(11,064)	(4,054)	4,633
Gross Profit	(3,132)	(6,775)	(2,779)	6,893
Operating expenses				
Distribution cost	(503)	(540)	(176)	(213)
Administrative expenses	(14,878)	(28,498)	(5,563)	(9,970)
Other operating income	229	1,502	1,230	(43)
Operating loss	(18,284)	(34,311)	(7,288)	(3,333)
Finance cost	(6,914)	(3,660)	(4,575)	(1,321)
Loss before taxation	(25,198)	(37,971)	(11,863)	(4,654)
Taxation	608	565	1,196	1,153
Loss after taxation	(24,590)	(37,407)	(10,667)	(3,501)
Loss attributable to:				
- Owners of the Holding company	-	-	(10,667)	(3,501)
- Non-controlling interest	-	-	-	-
Loss for the period	-	-	(10,667)	(3,501)
Loss per share - basic and diluted	(4.51)	(6.86)	(1.96)	(0.64)

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Director

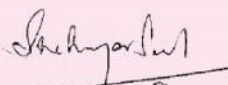

Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
Condensed Interim Consolidated Statement Of Comprehensive Income - Un-Audited
For The Nine Months Period Ended March 31, 2019

<u>Nine months ended March 31</u>		<u>Quarter ended March 31</u>	
<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<hr style="border-top: 1px dashed black;"/> ----- (Rupees in thousand) ----- <hr style="border-top: 1px dashed black;"/>			

Loss after taxation	(24,590)	(37,406)	(10,667)	(3,501)
Other comprehensive income	-	-	-	-
Total comprehensive loss	(24,590)	(37,406)	(10,667)	(3,501)
Total comprehensive loss attributable to:				
- Owners of the Holding company	-	-	(10,667)	(3,501)
- Non-controlling interest	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(10,667)</u>	<u>(3,501)</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(10,667)</u></u>	<u><u>(3,501)</u></u>

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.


Chief Executive

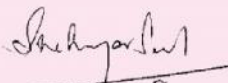

Director


Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
Condensed Interim Consolidated Statement of Cash Flows - Un-Audited
For The Nine Months Period Ended March 31, 2019

	<u>March 31</u> <u>2019</u>	<u>March 31</u> <u>2018</u>
	(Rupees in thousand)	
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Loss before taxation	(25,198)	(37,971)
Adjustments for:		
Depreciation	2,648	6,610
Provision for staff gratuity	-	-
Finance cost	6,914	3,660
	9,562	10,270
Operating loss before working capital changes	(15,636)	(27,701)
Decrease in current assets		
Stock-in-trade	(1,755)	1,341
Trade debts	(45)	1,066
Loans and advances	14	(4,325)
Deposits, prepayments and other receivable	(416)	(692)
	(2,202)	(2,610)
Decrease / (increase) in current liabilities		
Trade and other payables	5,494	6,565
	(12,344)	(23,746)
Income Tax (paid) / refunded	(114)	(451)
Gratuity paid	-	(20)
Finance cost paid	(6,914)	(15)
	(7,028)	(486)
Net cash used in operating activities	(19,373)	(24,232)
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Fixed capital expediture incurred	55	(41)
Sale proceed from disposal of property, plant & equipment	(1,129)	-
	1,074	(41)
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Long Term Borrowing Received	13,879	10,814
Net cash generated from financing activities	13,879	10,814
Net decrease in cash and cash equivalents	(4,421)	(13,459)
Cash and cash equivalents at beginning of the period	4,556	13,810
Cash and cash equivalents at end of the period	136	351

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.


Chief Executive

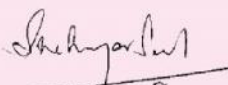

Director


Chief Financial Officer

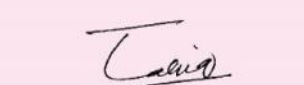
JOHNSON & PHILLIPS (PAKISTAN) LIMITED
Condensed Interim Consolidated Statement Of Changes In Equity - Un-Audited
For The Nine Months Period Ended March 31, 2019

	Capital Reserve			Revenue Reserve		
	Issued Subscribed & Paid up capital	Share premium Reserve	Surplus On Revaluation Of Property Plant & Equipment	General Reserve	Accumulated Loss	Total
-----Rupees in thousand-----						
Balance as at July 01, 2017	54,500	29,727	-	23,073	(349,328)	(242,028)
Total comprehensive loss for the period						
Loss after taxation for the period	-	-	-	-	(37,406)	(37,406)
Transfer from surplus on revaluation of property, plant and equipments	-	-	-	-	3,418	3,418
Balance as at March 31, 2018	<u>54,500</u>	<u>29,727</u>	<u>-</u>	<u>23,073</u>	<u>(383,316)</u>	<u>(276,016)</u>
Balance as at July 01, 2018	54,500	29,727	474,380	23,073	(391,839)	189,841
Total comprehensive loss for the period						
Loss after taxation for the period	-	-	-	-	(24,590)	(24,590)
Transfer from surplus on revaluation of property, plant and equipments	-	-	(4,456)	-	4,456	-
Balance as at March 31, 2018	<u>54,500</u>	<u>29,727</u>	<u>469,924</u>	<u>23,073</u>	<u>(411,973)</u>	<u>165,251</u>

The annexed notes 1 to 9 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Director


Chief Financial Officer

JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Notes To The Condensed Interim Consolidated Financial Statements (Un-Audited)
For The Nine Months Ended March 31, 2019

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 Pakistan 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, hold 2,719,536 (June 30, 2018: 2,719,536) ordinary shares of Rs. 10 each of the Holding Company as at March 31, 2019, 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 Geographical locatoin of business units**Head Offices**

The registered offices of the Holding Company and all of its subsidiaries are situated at C-10, South Avenue, SITE, Karachi

Plants

The manufacturing facilities of the Holding Company and all of its subsidiaries are situated at C-10, South Avenue, SITE, Karachi

1.3 Significant transactions and events affecting the Company's financial position and performance in the current reporting period**- Reclassification of Non Current Assets classified as Held for Sale**

The Company has reclassified its Non Current Assets to property, plant and equipment, which were previously classified as held for sale in the latest audited financial statements, owing to the fact that an existing shareholder, Mr. Anis Mianoor (Acquirer) has filed an intention to acquire additional 49.9% shares and control of the Company. Accordingly, the Company believes that its decision to classify the non current assets (Land and Building) as held for sale, in accordance with IFRS - 5 is no longer relevant.

- 1.4** 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 March 31, 2019 stand at Rs. 411.973 million (June 30, 2018: Rs. 391.839 million) and as at that date the Group's current liabilities exceeded its current assets by Rs. 170.242 million (June 30, 2018: Rs. 162.525 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 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 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 nine months ended March 31, 2019 and the un-audited financial information of the Subsidiary Companies for the nine months ended March 31, 2019.

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 nine months ended March 31, 2019 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 2018. Comparative consolidated balance sheet is extracted from annual consolidated financial statements as at June 30, 2018 whereas comparative consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity were extracted from un-audited condensed interim consolidated financial information for the nine months ended March 31, 2019.

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 annual consolidated financial statements of the Company for the year ended June 30, 2018.

4 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The management of the Company has decided to reclassify its Non Current Assets to property, plant and equipment due to the fact disclosed in note 1.3 to these financial statements. Therefore, these have been classified as property, plant and equipment:

	Un-Audited March 31 2019
	Rupees in thousand
Leasehold land	448,558
Building on leasehold land	23,600
<i>Reclassification adjustment charged to revaluation surplus:</i>	
Leasehold land	(7,933)
Building on leasehold land	(2,200)
<i>Written down value reclassified to property, plant & equipment:</i>	
Leasehold land	(440,625)
Building on leasehold land	(21,400)
	-

5 PROPERTY, PLANT AND EQUIPMENTS

Un-audited

Audited

March 31

June 30,

2019

2018

(Rupees in thousand)

Owned

Opening written down value	14,194	49,630
Surplus on Revaluation	469,167	
Additions	55	-
Disposal	(1,129)	-
Depreciation	(2,648)	(35,436)
Closing written down value	479,639	14,194

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 a) Guarantees

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

Guarantees against performance bond	1,794	1,794
-------------------------------------	-------	-------

6.1.2 Labour

Some legal cases are pending against the Holding Company filed by ex-workers to re-instate them on their jobs. No definite outcome of the cases can be anticipated, however, in the opinion of legal advisors, the Holding Company has good case in its favour.

6.1.3 Income tax and sales tax

- Audit u/s 177 (1) read with section 214(C) & 214(D) of the Income Tax Ordinance 2001 for tax year 2015 and 2016 are pending before assistant / deputy commissioner Inland Revenue, Zone-I, Unit-II, Large Tax Payer Unit-II, Karachi. The Holding Company's tax advisor expects a favourable outcome of the case.

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6.1.4 Others

- "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. The entire amount of loan has been settled by the subsidiary company, however, the bank has not yet issued No Obligation Certificate (NOC) to the subsidiary company."

- The Holding Company had filed a suit for the recovery of insurance claim of Rs 3.735 million (2018: Rs 3.735 million) in Honorable High Court of Sindh at Karachi against the EFU General Insurance Limited and M/s Hanilay & Co. (Private) Limited. However, the Honorable High Court of Sindh dismissed the suit for want of jurisdiction. The Holding Company filed appeal against the impugned judgment which is currently at the stage of regular hearing.

6.1.5 Labour, Others, Professional Fee Payable, Unsecured Loan & Tax Assessment of Subsidiary Companies

There were no change in status of Labour, Others, Professional fee payable, unsecured loan & tax assesment of subsidiary Companies as disclosed in the last audited annual consolidated financial statements for the year ended June 30, 2018.

6.2 Commitments

There is no commitment as at March 31, 2019 (June 30, 2018 : Nil)

7 TRANSACTION WITH RELATED PARTIES

The related parties comprise of group companies, entities with common directorship, directors and their close family members, associated undertakings and key management personnel .

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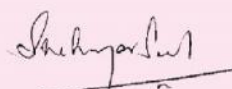
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		Amount due at period end	402	137
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		Amount due at period end	947	1,038
Elmetec (Pvt.) Limited	Other related party on the basis of close family member of a director has controlling interest in the Company	Long term Loan received	7,550	14,479
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		Purchases	767	2,985
		Markup accrued on long term borrowings	4,310	2,131
		Amount due at period end	76,768	60,965
Mr. Bilal Qureshi	Other related party on the basis of close family member of a director	Markup accrued on long term borrowings	1,812	1,294
		Amount due at period end	33,939	30,373
Mr. Faysal Qureshi	Other related party on the basis of close family member of a director	Markup accrued on long term borrowings	762	220
		Amount due at period end	20,083	19,242
Mr. Salman Ganny	Director	Amount due at period end	2,851	2,851

8 DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorized for issue on April 27, 2019 by the Board of Directors of the Holding Company.

9 GENERAL

Figures have been rounded off to the nearest thousand rupee.


Chief Executive


Director


Chief Financial Officer



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