



Johnson & Phillips (Pakistan) Limited

December 31,

2022

Half Yearly Account

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COMPANY INFORMATION

Board of Directors

Mrs. Zainab Anis Mianoor
Mr. Muhammad Anis Mianoor
Mr. Muhammad Umair Mianoor
Mr. Muhammad Amin Khanani
Mr. Muhammad Usman Mianoor
Mr. Muhammad Hanif Chamdia
Ms. Uroosa Mianoor

Chairman
Director/CEO
Director
Director
Director
Director
Director

Board of Audit Committee

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

Chairman
Member
Member

Board of HR Committee

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

Chairman
Member
Member

Chief Financial Officer (CFO)

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 half year period ended December 31, 2022.

FINANCIAL HIGHLIGHTS:

The comparative financial highlights of your Company for the six months period ended December 31, 2022 and December 31, 2021 are as follows:

| | 2022 | 2021 |
|--|----------------------------|-----------|
| | --- Rupees in thousand --- | |
| (Loss) for the period before taxation | (5,130) | 10,577 |
| Out of which the Directors have accounted for taxation – current | 794 | (1,141) |
| Accumulated (Losses) brought forward | (437,639) | (475,072) |
| Accumulated losses brought forward to Balance Sheet | (440,525) | (464,028) |
| Earnings per share – basic & diluted - Rupees | (0.80) | 1.73 |

BUSINESS PERFORMANCE HIGHLIGHTS:

The Sales and service-net for the half year period ended December 31, 2022 was Rs. Nil million as compared to Rs.52.2251 million for the corresponding period of last year. The cost of sales and services for the period was Rs. 2.171 million as compared to Rs. 36.067 million.

The Gross loss of the Company was Rs. 2.171 million against a profit of Rs.16.158 million in the corresponding period of last year. The Company's Distribution cost, Administrative expenses, finance and other charges during the six months period ended December 31, 2022 was Rs. 3.152 million as against Rs. 3.434 million in the corresponding period of previous year. The Company is in process of re-organizing its activities.

A loss after tax of Rs. 4.336 million was reported for the six months ended December 31, 2022 compared to a profit after tax of Rs. 9.436 million in the corresponding period. The Management of your Company is in making concerted efforts and continues endeavor to achieve improved performance in the future.

FUTURE PLAN:

The economic situation of the country is in tatters at the moment which is posing a serious challenge to businesses across the Board. The management will see how the government copes up with IMF program and the steps the government will take. We request our shareholders to pray for our success in this regard. Furthermore, the new management is trying its level best to resolve some legal issues left behind by the previous management.

Acknowledgement:

The Board of Directors would like to express its sincere appreciation to the Company's valued client, 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 of Pakistan for their continued guidance and professional support.

For and on behalf of the Board.


Muhammad Anis Mianoor
Managing Director / CEO

Karachi: 10th February, 2023


Zainab Anis Mianoor
Chairman

ڈائریکٹر کا جائزہ

بورڈ آف ڈائریکٹرز کمپنی کے مختصر، ان آڈٹ مالیاتی گوشارے برائے نصف سالہ مدت بہ اختتام دسمبر ۲۰۲۲ء پیش کرنا چاہینگے۔

مالی جھلکیاں

آپ کی کمپنی کے چھ ماہ مدت بہ اختتام دسمبر ۲۰۲۲ء اور دسمبر ۲۰۲۱ء کے مالی جھلکیوں کا موازنہ درج ذیل ہیں۔

| 2021 | 2022 |
|------------------------|-----------|
| <u>ہزاروں میں روپے</u> | |
| 10,577 | (5,130) |
| (1,141) | 794 |
| (475,072) | (437,639) |
| (464,028) | (440,528) |
| 1.73 | (0.80) |

(نقصان) ٹیکس سے پہلے کی مدت میں جس میں سے ڈائریکٹرز نے ٹیکسیشن کا حساب کیا۔ کرنٹ جمع شدہ (نقصانات) پیش کئے گئے جمع شدہ نقصانات بیلنس شیٹ میں پیش کئے گئے کمائی فی شیئر۔ بنیادی اور ڈائریکٹرز۔ روپیس

کاروباری کارکردگی کی جھلکیاں

سیلز اور سروس نیٹ برائے نصف سالہ مدت بہ اختتام دسمبر ۲۰۲۲ء 52.225 ملین روپے پچھلے سال کے متعلقہ مدت کے۔ مذکورہ مدت کے سیلز اور سروس نیٹ کے اخراجات 2.171 ملین روپے تھے بمقابلہ 36.067 ملین روپے۔

معتقلہ مدت میں کمپنی کا مجموعی نقصان 2.171 ملین روپے تھا برخلاف منافع 16.158 ملین روپے پچھلے سال کے متعلقہ مدت کے۔ کمپنی کے تقسیمی لاگت، انتظامی اخراجات، مالیات اور دیگر اخراجات دوران چھ ماہ مدت بہ اختتام دسمبر ۲۰۲۲ء 3.152 ملین روپے تھے بمقابلہ 3.434 ملین روپے پچھلے سال کے متعلقہ مدت کے۔ کمپنی اپنی سرگرمیوں کی تنظیم نو کے عمل میں ہے۔

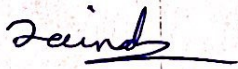
ٹیکس کے بعد نقصان 4.336 ملین روپے برائے چھ ماہ مدت بہ اختتام دسمبر ۲۰۲۲ء رپورٹ کیا گیا بمقابلہ ٹیکس کے بعد منافع 9.436 ملین روپے متعلقہ مدت کے۔ آپ کی کمپنی کی انتظامیہ بہتر کارکردگی کے لئے مسلسل اور مشترکہ کوششیں کر رہی ہے۔

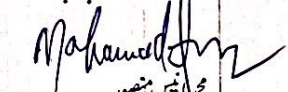
مستقبل کا منصوبہ

فی الحال ملک کی معاشی صورتحال تنزلی کا شکار ہے جو کہ تمام تر طبقات کے کاروبار کے لئے سنگین چیلنج ہے۔ منجنت دیکھے گی کہ حکومت کس طرح آئی ایم ایف پروگرام کیساتھ مقابلہ کرتی ہے اور اقدامات جو حکومت لے گی۔ ہم اپنے شیئر ہولڈرز سے درخواست کرتے ہیں کہ اس حوالے سے ہماری کامیابی کے لئے دعائیں کریں۔ مزید، کچھ قانونی مسائل جو پرانی انتظامیہ چھوڑ کر گئی ہے، نئی انتظامیہ اسکے حل کے لئے اپنی بہترین سطح کی کوشش کر رہی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز اپنی کمپنی کے قابل قدر کلائنٹ، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کے لئے مخلصانہ تعریف کا اظہار کرنا چاہینگے۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور سینٹرل ڈیپوزٹری کمپنی آف پاکستان کا ان کے مسلسل رہنمائی اور پیشہ ورانہ حمایت کا بھی شکریہ ادا کرتے ہیں۔


زینب انیس منصور
چیئر مین

بورڈ کے لئے اور جانب سے

محمد انیس منصور

ہیڈنگ ڈائریکٹر ای ای او
کراچی: 10 فروری 2023

**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, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended [here-in-after referred to as the "interim financial statements"]. Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income and the notes forming part thereof for the quarter ended December 31, 2022, have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

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

Basis for Qualified Conclusion

- We could not conclude about the existence, obligation and completeness of trade and other payables (note no. 12) to the extent of Rs. 19.251 million, out of the total balance amounting to Rs. 68.295 million.
- We could not conclude about the existence, obligation, completeness, classification and terms and conditions of short-term borrowing from a former director amounting to Rs. 4.950 million (note no. 13).

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 above, 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, 2022, the current liabilities of the Company exceeded its current assets by Rs. 334.611 (June 30, 2022: 331.874) million. Further, the Company has accumulated losses as on the reporting date amounting to Rs. 440.525 (June 30, 2022: 437.639) million. Except for financial year 2022, the operations of the Company, including its revenue, are facing downward trajectory since financial year 2015, due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. The Company is reporting meagre sales since then and is totally dependent on the financial support of its directors, sponsors and associated companies.

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

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

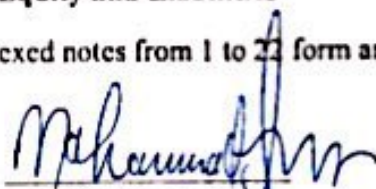
RHZCO Reemah Haroon Zakaria & Co.
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 10 FEB 2023
UDIN: RR2022100861ch4TIBd8

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

| | | <u>December 31,</u> <u>2022</u> <u>(Unaudited)</u> | <u>June 30,</u> <u>2022</u> <u>(Audited)</u> |
|---|-------------|--|--|
| | <i>Note</i> | <i>--- (Rupees in '000) ---</i> | |
| <u>ASSETS</u> | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 5 | 465,962 | 468,153 |
| Intangible asset | 6 | - | - |
| Long-term investments | 7 | - | - |
| Long-term deposits | | 317 | 317 |
| | | <u>466,279</u> | <u>468,470</u> |
| Current Assets | | | |
| Stock-in-trade | | 7,600 | 7,600 |
| Trade debts | 8 | - | - |
| Short-term loans, deposits and other receivables | | 1,288 | 1,302 |
| Sales tax refunds due from the Government | | 10,010 | 9,841 |
| Cash and bank balances | | 5,534 | 8,355 |
| | | <u>24,432</u> | <u>27,098</u> |
| Total Assets | | <u>490,711</u> | <u>495,568</u> |
| <u>EQUITY AND LIABILITIES</u> | | | |
| 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 | 460,555 | 462,005 |
| General reserve | | 23,073 | 23,073 |
| Accumulated losses | | (440,525) | (437,639) |
| Total shareholders' equity | | <u>127,330</u> | <u>131,666</u> |
| Non Current Liabilities | | | |
| Long term loans | 10 | - | - |
| Deferred tax liability | 11 | 4,338 | 4,930 |
| | | <u>4,338</u> | <u>4,930</u> |
| Current Liabilities | | | |
| Current maturity of long term loans | 10 | - | 31,831 |
| Trade and other payables | 12 | 68,295 | 68,820 |
| Short term borrowings | 13 | 285,702 | 218,999 |
| Accrued markup | | - | 34,011 |
| Unpaid / unclaimed dividend | | 4,268 | 4,268 |
| Income tax payable | 14 | 778 | 1,043 |
| | | <u>359,043</u> | <u>358,972</u> |
| Contingencies and commitments | 15 | | |
| Total Equity and Liabilities | | <u>490,711</u> | <u>495,568</u> |

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, 2022

| | Note | Half year ended | | Quarter ended | |
|---|------|-----------------|---------------|----------------|---------------|
| | | December 31, | | December 31, | |
| | | 2022 | 2021 | 2022 | 2021 |
| ----- (Rupees in "000") ----- | | | | | |
| Sales | 16 | - | 52,225 | - | 52,225 |
| Cost of sales | 17 | (2,171) | (36,067) | (1,196) | (35,086) |
| Gross (loss) / profit | | (2,171) | 16,158 | (1,196) | 17,139 |
| Administrative expenses | 18 | (3,151) | (3,348) | (1,459) | (1,874) |
| Operating (loss) / profit | | (5,322) | 12,810 | (2,655) | 15,265 |
| Finance cost - bank charges | | (1) | (86) | (1) | (83) |
| Other charges - exchange loss | | - | (2,262) | - | (2,262) |
| Other income - interest income | | 193 | 115 | 193 | 1 |
| (Loss) / profit before taxation | | (5,130) | 10,577 | (2,463) | 12,921 |
| Taxation - net | 19 | 794 | (1,141) | 498 | (1,141) |
| (Loss) / profit after taxation | | (4,336) | 9,436 | (1,965) | 11,780 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive (loss) / income for the year | | (4,336) | 9,436 | (1,965) | 11,780 |
| (Loss) / earning per share - Rupees | | (0.80) | 1.73 | (0.36) | 2.16 |

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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 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, 2022

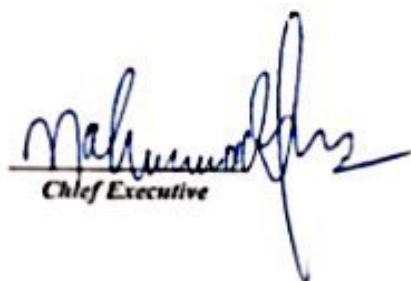
| | <i>Share Capital</i> | <i>Share Premium Reserve</i> | <i>Surplus on Revaluation of Property, Plant and Equipment</i> | <i>General Reserve</i> | <i>Accumulated Losses</i> | <i>Total Shareholders' Equity</i> |
|---|----------------------|------------------------------|--|------------------------|---------------------------|-----------------------------------|
| ----- (Rupees in "000") ----- | | | | | | |
| Balance as at July 1, 2021 - audited | 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 |
| Balance as at July 1, 2022 - audited | 54,500 | 29,727 | 462,005 | 23,073 | (437,639) | 131,666 |
| Total comprehensive income for the half year ended December 31, 2022 | - | - | - | - | (4,336) | (4,336) |
| Transfer from surplus on revaluation on account of incremental depreciation - net of deferred tax | - | - | (1,450) | - | 1,450 | - |
| Balance as at December 31, 2022 | 54,500 | 29,727 | 460,555 | 23,073 | (440,525) | 127,330 |

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 22 form an integral part of these condensed interim financial statements.


 Chief Executive

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 Chief Financial Officer


 Director

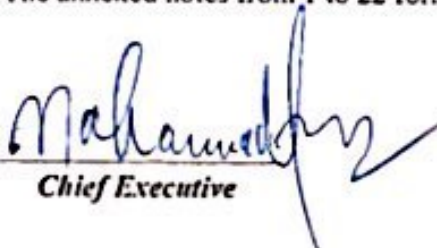
JOHNSON & PHILLIPS (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

| Note | Half year ended December 31, | |
|--|---------------------------------|--------|
| | 2022 | 2021 |
| | ----- (Rupees in '000) ----- | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) / profit before taxation | (5,130) | 10,577 |
| Adjustment for: | | |
| Depreciation | 2,191 | 2,191 |
| Exchange loss - net | - | 2,262 |
| Finance cost | 1 | 86 |
| Cash (outflows) / inflows before working capital changes | (2,938) | 15,116 |
| Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stock-in-trade | - | 27,688 |
| Short-term loans, deposits and other receivables | 14 | 397 |
| Sales tax refundable | (169) | (94) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | (525) | 3,952 |
| Cash (used in) / generated from operations | (3,618) | 47,059 |
| Income tax paid | (63) | (565) |
| Finance cost paid | (34,012) | (86) |
| Net cash (used in) / generated from operating activities | (37,693) | 46,408 |


B. CASH FLOWS FROM FINANCING ACTIVITIES

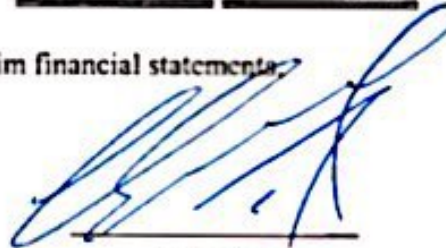
| | | |
|--|----------|----------|
| Long-term borrowings repaid | (31,831) | - |
| Short-term borrowings obtained / (repaid) - net | 66,703 | (47,380) |
| Net cash generated from / (used in) financing activities | 34,872 | (47,380) |
| Net decrease in cash and cash equivalents (A+B) | (2,821) | (972) |
| Cash and cash equivalents at the beginning of the period | 8,355 | 6,197 |
| Cash and cash equivalents at the end of the period | 5,534 | 5,225 |

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


 Chief Executive

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 Chief Financial Officer


 Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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 the Pakistan Stock Exchange Limited - PSX. The Company is principally engaged in textile manufacturing and allied activities including trading of textile machineries. The registered office of the Company and its manufacturing facilities are situated at C-10, South Avenue, SITE, Karachi.

1.2 Going concern

As on the reporting date, the current liabilities exceeded the current assets by Rs. 334.611 (June 30, 2022: Rs. 331.874) million, while accumulated losses as on the reporting date amounting to Rs. 440.525 (June 30, 2022: Rs. 437.639) million. Except for financial year 2022, the operations of the Company, including its revenue, are facing downward trajectory since financial year 2015, due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. The Company is reporting meagre sales since then and is totally dependent on the financial support of its Directors, sponsors and associated companies.

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

- The Company has revaluation surplus on fixed assets amounting to Rs. 460.555 million as on the reporting date.
- New management of the Company, under the leadership of its 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. However, emergence of Covid-19 and then worsening economic outlook of the Country during the period, including import restrictions and foreign currency shortage to settle the existing liabilities, have overall slowed down therevival plans of the new management. Nevertheless, the new management, with the financial support of new sponsor Director, has settled the long outstanding dues of the previous board members and their associated company, while other liabilities will also be settled 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.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the half year ended December 31, 2022 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, 2022 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2022. 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, 2022.

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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 the Pakistan Stock Exchange Limited - PSX. The Company is principally engaged in textile manufacturing and allied activities including trading of textile machineries. The registered office of the Company and its manufacturing facilities are situated at C-10, South Avenue, SITE, Karachi.

1.2 Going concern

As on the reporting date, the current liabilities exceeded the current assets by Rs. 334.611 (June 30, 2022: Rs. 331.874) million, while accumulated losses as on the reporting date amounting to Rs. 440.525 (June 30, 2022: Rs. 437.639) million. Except for financial year 2022, the operations of the Company, including its revenue, are facing downward trajectory since financial year 2015, due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. The Company is reporting meagre sales since then and is totally dependent on the financial support of its Directors, sponsors and associated companies.

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

- The Company has revaluation surplus on fixed assets amounting to Rs. 460.555 million as on the reporting date.
- New management of the Company, under the leadership of its 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. However, emergence of Covid-19 and then worsening economic outlook of the Country during the period, including import restrictions and foreign currency shortage to settle the existing liabilities, have overall slowed down therevival plans of the new management. Nevertheless, the new management, with the financial support of new sponsor Director, has settled the long outstanding dues of the previous board members and their associated company, while other liabilities will also be settled 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.

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- 2.2** The figures of condensed interim profit and loss account for the quarter ended September 30, 2022 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2022. 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, 2022.

- 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, 2022, 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, 2021.

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, 2022.

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

- Amendments to IAS 16 'Property, Plant and Equipment': Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets': Amendments regarding the costs to include when assessing whether a contract is onerous 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, 2022.
- 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, 2022.

| | | <u>December 31,</u> <u>2022</u> <i>(Unaudited)</i> | <u>June 30,</u> <u>2022</u> <i>(Audited)</i> |
|---|-------------|--|--|
| | <i>Note</i> | <i>----- (Rupees in '000) -----</i> | |
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | <u>465,962</u> | <u>468,153</u> |
| 5.1 Movement during the period / year | | | |
| Written down value as on July 01, | | 468,153 | 472,535 |
| Depreciation charge for the period / year | 5.2 | <u>(2,191)</u> | <u>(4,382)</u> |
| | | <u>465,962</u> | <u>468,153</u> |
| 5.2 The depreciation charge for the period / year has been allocated as follows: | | | |
| Cost of sales | 17 | 1,950 | 3,902 |
| Administrative expenses | 18 | <u>241</u> | <u>480</u> |
| | | <u>2,191</u> | <u>4,382</u> |
| 6 INTANGIBLE ASSET | | | |
| Computer software | | | |
| Cost | | 129 | 129 |
| Accumulated amortization | | <u>(129)</u> | <u>(129)</u> |
| | | <u>-</u> | <u>-</u> |
| 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, 2022 was Rs. nil (June 30, 2022 : Rs. nil)]. The Company held 100% of the investee's total equity. | | | |
| | | 30,000 | 30,000 |
| Advance against share capital | | | |
| | | <u>20,000</u> | <u>20,000</u> |
| | | 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, 2022 was Rs. nil (June 30, 2022: 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, 2022 was Rs. nil (June 30, 2022 : Rs. nil)]. The Company held 51% of the investee's total equity. | | | |
| | | 510 | 510 |
| | | <u>71,510</u> | <u>71,510</u> |
| Provision for diminution in value of investments | | | |
| | | <u>(71,510)</u> | <u>(71,510)</u> |
| | 7.1 | <u>-</u> | <u>-</u> |
| 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 end. | | | |

| | | <u>December 31,</u> <u>2022</u> <i>(Unaudited)</i> | <u>June 30,</u> <u>2022</u> <i>(Audited)</i> |
|---|-------------|--|--|
| | <i>Note</i> | <u>----- (Rupees in '000) -----</u> | |
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| | | <u>2,191</u> | <u>4,382</u> |
| 6 INTANGIBLE ASSET | | | |
| Computer software | | | |
| Cost | | 129 | 129 |
| Accumulated amortization | | <u>(129)</u> | <u>(129)</u> |
| | | <u>-</u> | <u>-</u> |
| 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, 2022 was Rs. nil (June 30, 2022 : Rs. nil)]. The Company held 100% of the investee's total equity. | | 30,000 | 30,000 |
| Advance against share capital | | <u>20,000</u> | <u>20,000</u> |
| | | <u>50,000</u> | <u>50,000</u> |
| Johnson & Phillips Transformers (Private) Limited | | | |
| 2,099,995 fully paid ordinary shares of Rs. 10 each [Break-up value as at December 31, 2022 was Rs. nil (June 30, 2022: Rs. nil)]. The Company held 70% of the investee's total equity. | | 21,000 | 21,000 |
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| 50,997 fully paid ordinary shares of Rs. 10 each [Break-up value as at December 31, 2022 was Rs. nil (June 30, 2022 : Rs. nil)]. The Company held 51% of the investee's total equity. | | 510 | 510 |
| | | <u>71,510</u> | <u>71,510</u> |
| Provision for diminution in value of investments | | <u>(71,510)</u> | <u>(71,510)</u> |
| | 7.1 | <u>-</u> | <u>-</u> |
| 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 end. | | | |

| | December 31, 2022 (Unaudited) | June 30, 2022 (Audited) |
|--|--|--|
| 8 TRADE DEBTS | | |
| <i>- Considered doubtful</i> | | |
| Trade debts | 75 | 75 |
| Less: Provision for doubtful trade debts | <u>(75)</u> | <u>(75)</u> |
| | <u>-</u> | <u>-</u> |
| 9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | | |
| <i>Balance as at July 01,</i> | 466,935 | 471,019 |
| Transfer to equity in respect of incremental depreciation - net of deferred tax | <u>(1,450)</u> | <u>(2,900)</u> |
| Related deferred tax liability on incremental depreciation | <u>(592)</u> | <u>(1,184)</u> |
| | <u>(2,042)</u> | <u>(4,084)</u> |
| | 464,893 | 466,935 |
| <i>Less: Related deferred tax liability</i> | | |
| - at the beginning of the year | <u>(4,930)</u> | <u>(6,114)</u> |
| - on incremental depreciation for the year | <u>592</u> | <u>1,184</u> |
| - at the end of the year | <u>(4,338)</u> | <u>(4,930)</u> |
| | <u>460,555</u> | <u>462,005</u> |
| 10 LONG TERM LOANS | | |
| <i>- Unsecured and interest bearing</i> | | |
| <i>From related parties</i> | | |
| Close family member of former director | - | 8,408 |
| Former director | - | 20,377 |
| Associated company | - | 3,046 |
| | <u>-</u> | <u>31,831</u> |
| <i>Less: Current portion of long term loans</i> | <u>-</u> | <u>(31,831)</u> |
| | <u>-</u> | <u>-</u> |
| 10.1 | <u>-</u> | <u>31,831</u> |
| | <u>-</u> | <u>(31,831)</u> |
| | <u>-</u> | <u>-</u> |
| 10.1 These have been repaid during the current period. | | |
| 11 DEFERRED TAX LIABILITY | | |
| 11.1 | <u>4,338</u> | <u>4,930</u> |
| <i>11.1 This has arisen on account of the following:</i> | | |
| <i>Taxable temporary differences</i> | | |
| Surplus on revaluation of fixed assets | 9 | 4,338 |
| 4,338 | 4,338 | 4,930 |
| <i>Deductible temporary differences</i> | | |
| Accelerated tax depreciation | <u>1,477</u> | <u>1,547</u> |
| Available tax losses | <u>65,750</u> | <u>64,785</u> |
| Alternate corporate tax | <u>4,635</u> | <u>4,635</u> |
| Provisions | <u>31,937</u> | <u>31,937</u> |
| | <u>(103,799)</u> | <u>(102,904)</u> |
| | <u>(99,461)</u> | <u>(97,974)</u> |
| <i>Deferred tax asset not recognized</i> | <u>103,799</u> | <u>102,904</u> |
| 11.1.1 | <u>4,338</u> | <u>4,930</u> |

Note

----- (Rupees in '000) -----

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.

| | <u>December 31,</u> <u>2022</u> <u>(Unaudited)</u> | <u>June 30,</u> <u>2022</u> <u>(Audited)</u> |
|-------------|--|--|
| <i>Note</i> | ----- (Rupees in '000) ----- | |

12 TRADE AND OTHER PAYABLES

| | | | |
|------------------------------------|------|---------------|---------------|
| Trade creditors | 12.1 | 46,278 | 46,528 |
| Advance from customers - unsecured | | 9,340 | 8,638 |
| Accrued liabilities | | 9,566 | 10,593 |
| Payable to ex-employees | | 802 | 802 |
| Provident fund payable | | 725 | 725 |
| Unclaimed gratuity payable | | 745 | 745 |
| Withholding tax payable | | 590 | 540 |
| Others | | 249 | 249 |
| | | <u>68,295</u> | <u>68,820</u> |

12.1 This includes Rs. 41.462 (June 30, 2022: Rs. 41.462) million payable against the purchase of textile machineries to Gulf Tex Machine Fzco, an associated undertaking (related party), incorporated in Dubai, U.A.E.

| | <u>December 31,</u> <u>2022</u> <u>(Unaudited)</u> | <u>June 30,</u> <u>2022</u> <u>(Audited)</u> |
|-------------|--|--|
| <i>Note</i> | ----- (Rupees in '000) ----- | |

13 SHORT TERM BORROWINGS

- Unsecured and interest free

From

| | | | |
|-----------------------|------|----------------|----------------|
| New sponsor directors | 13.1 | 280,752 | 210,152 |
| Former directors | 13.2 | 4,950 | 8,847 |
| | | <u>285,702</u> | <u>218,999</u> |

13.1 This represents unsecured and interest free loan received from the 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 requirements.

13.2 These represent unsecured and interest free loans received from former directors of the Company, Mr. Salman Ganny and Mr. Bilal Qureshi amounting to Rs. 4.950 (30 June, 2022: Rs. 4.950) million and Rs. nil (30 June, 2022: Rs. 3.898) million, respectively, which are repayable on demand. Loans were obtained for the working capital requirements.

18.1 Auditors' remuneration

| | <i>Half year ended</i> | |
|------------------------|-------------------------------------|-------------|
| | <i>December 31,</i> | |
| | <i>2022</i> | <i>2021</i> |
| Note | <i>----- (Rupees in '000) -----</i> | |
| Annual audit fee | 150 | 100 |
| Out of pocket expenses | 15 | 10 |
| | <u>165</u> | <u>110</u> |

19 TAXATION - NET

| | | |
|----------|--------------|--------------|
| Current | - | 1,798 |
| Prior | (202) | - |
| Deferred | (592) | (657) |
| | <u>(794)</u> | <u>1,141</u> |

19.1 Returns up to the tax year 2022 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.

20 TRANSACTIONS WITH RELATED PARTIES

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

| | <i>Half year ended</i> | |
|--|-------------------------------------|-------------|
| | <i>December 31,</i> | |
| | <i>2022</i> | <i>2021</i> |
| | <i>----- (Rupees in '000) -----</i> | |
| Key Management Personnel of the Company | | |
| <i>Anis Mianoor - Director (79.82% shareholding)</i> | | |
| Loan obtained | 70,600 | 120 |
| <i>Umair Mianoor - Director (0.01% shareholding)</i> | | |
| Loan repaid | - | 23,500 |
| <i>Usman Mianoor - Director (0.02% shareholding)</i> | | |
| Loan repaid | - | 24,000 |
| Associated Undertaking - common directorship | | |
| <i>Gulf Tex Machine Fzco</i> | | |
| Acquisition of machinery (including exchange loss) | - | 6,886 |

| | <i>December 31,</i> | |
|--|---------------------|-------------|
| | <i>2022</i> | <i>2021</i> |
| Total employees as on the reporting date | <u>2</u> | <u>2</u> |
| Average employees during the period | <u>2</u> | <u>2</u> |

21 NUMBER OF EMPLOYEES

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

22 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on February 10, 2023

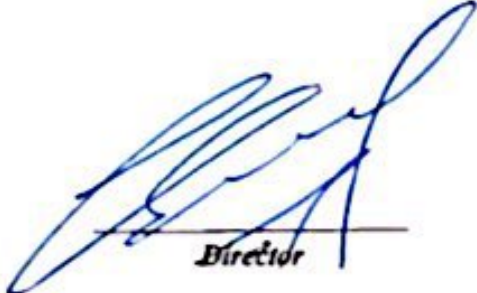
RH200



Chief Executive



Chief Financial Officer



Director