

DIRECTORS' REPORT

The Directors of your Company take pleasure in presenting the un-audited financial statements for the half-year ended December 2012

Our Sales compared with 1st half ended Dec 2010 declined considerably, resulting in a loss for the half year ended 2011. Deteriorating political condition is directly affecting the negative growth of the economy.

New investments are on hold by the private sector and FDI is on the decline. Our main buyer KESC is caught in the circular debt issue and has not been able to place bulk orders. Those order it has place it is unable to make payments, resulting in cash squeeze.

The management is striving hard to fill its orders book in spite of fewer orders and tough competition and is hopeful that a positive trend will continue in the coming months.

Karachi
Dated: February 28th 2012

For and on behalf of Board of Directors
Shehryar Saeed
(Chief Executive)

**REPORT ON REVIEW OF INTERIM FINANCIAL
INFORMATION TO THE MEMBERS**

Introduction

We have reviewed the accompanying condensed interim balance sheet of Johnson & Phillips (Pakistan) Limited (the company) as at December 31, 2012 and the related condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity together with selected explanatory notes forming part thereof for the half year then ended (here-in-after referred to as the “interim financial information”). Management of the company is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information 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.

Without qualifying our opinion in this regard, we like to draw attention to note 2 to the interim financial information according to which the accumulated losses of the Company as at balance sheet date stand at Rs. 110.465 million that results in negative equity of Rs.3.165 million. In view of the mitigating factors as stated in the aforesaid note, these interim condensed financial statements have been prepared on a going concern basis.

Karachi _____

Chartered Accountants

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED BALANCE SHEET
AS AT DECEMBER 31, 2012

	Note	Un-audited 31-Dec-2012	Audited 30-Jun-2012
(Rupees in thousand)			
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, Plant and Equipment		180,816	184,117
Long term deposits		940	940
		181,757	185,057
CURRENT ASSETS			
Stock-in-trade		130,620	120,715
Trade debts		9,271	34,714
Loans and advances		20,426	19,819
Deposits, prepayments and other receivables		12,248	15,194
Advance Tax-net of Provision		2,019	1,710
Operating Profit		2,555	7,232
		177,139	199,384
TOTAL ASSETS		358,896	384,441
<u>EQUITY AND LIABILITIES</u>			
Share Capital			
Authorised			
8,000,000 (June 30, 2008: 8,000,000) ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid-up		54,500	54,500
Reserves			
Capital - Share premium		29,727	29,727
General Reserved		23,073	23,073
Revenue reserve	4	(115,376)	(107,165)
SHARE HOLDERS' EQUITY		(8,076)	135
Surplus on revaluation of fixed assets	5	126,982	127,947
NON-CURRENT LIABILITIES			
Long term loans	6	76,577	71,969
Liabilities against assets subject to finance lease			
Deferred liabilities - staff gratuity		5,917	6,765
CURRENT LIABILITIES			
Trade & other payable	6	151,306	168,444
Short term borrowings		(2,078)	914
Current portion of long term borrowings		4,000	4,000
Mark up accrued			
Unclaimed dividend		4,268	4,268
		157,497	177,625
Contingencies & Commitments	7	-	-
TOTAL EQUITY AND LIABILITIES		358,896	384,441

The annexed notes from 1 to 11 form an integral part of this interim financial information.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (Un-Audited)

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>31-Dec</u> <u>2012</u>	<u>31-Dec</u> <u>2011</u>	<u>Oct- Dec</u> <u>2012</u>	<u>Oct- Dec</u> <u>2011</u>
	(Rupees in thousand)			
Sales and services (net)	36,494	74,213	-	32,247
Cost of sales and services	<u>(31,035)</u>	<u>(62,885)</u>	<u>-</u>	<u>(27,294)</u>
Gross Profit	5,458	11,328	-	4,953
Selling & distribution expenses	(3,358)	(3,537)	-	(2,016)
Administrative expenses	(9,860)	(10,431)	-	(5,519)
Other income	<u>1,513</u>	<u>247</u>	<u>-</u>	<u>198</u>
Total Expenses	(11,704)	(13,721)	-	(7,337)
Operating Profit	(6,246)	(2,393)	-	(2,384)
Financial charges	<u>(2,769)</u>	<u>(3,546)</u>	<u>-</u>	<u>(1,764)</u>
Profit before taxation	(9,014)	(5,939)	-	(4,148)
Taxation- Current	<u>(164)</u>	<u>(858)</u>	<u>-</u>	<u>(374)</u>
Profit after taxation	<u>(9,178)</u>	<u>(6,797)</u>	<u>-</u>	<u>(4,522)</u>
Earning per share - basic and diluted	<u>(1.68)</u>	<u>(1.25)</u>	<u>-</u>	<u>(0.83)</u>

The annexed notes from 1 to 11 form an integral part of this interim financial information.

(2,439)

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (Un-Audited)

	Dec 31, 2012	Dec 31, 2011
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(9,014)	(5,939)
Adjustments for:		
Depreciation/Amortization	3,647	3,647
Provision for staff gratuity	290	290
Financial charges	3,546	3,546
Profit before working capital changes	(1,531)	1,545
(Increase) / decrease in current assets		
Stock-in-trade	(9,905)	(20,184)
Trade debts	25,443	21,097
Loans and advances	(607)	(1,232)
Trade deposit	2,946	2,192
	17,877	1,873
Increase / (decrease) in current liabilities		
Trade and other payables	(2,298)	(2,298)
	14,048	1,119
Taxes paid	(774)	(774)
Gratuity paid	(349)	(349)
Financial charges paid	(857)	(857)
Net cash inflow from operating activities	12,068	(861)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to fixed assets	-	-
Proceeding from Long Term Investments	(0)	(5)
Proceeding of Short Term Investments	-	-
Proceeds from sales of fixed assets	-	-
Net increase in Long term deposits	-	-
Net cash used in investing activities	(0)	(5)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	-
Repayment of liabilities against assets subject to finance leases	-	-
Proceeds from Long Term Loan	-	-
Proceeds from short term loans and running finances	-	-
Proceeds from short term loans and running finances	(2,990)	(188)
Net cash used in financing activities	(2,990)	(188)
Net increase in cash and cash equivalents	9,077	(1,054)
Cash and cash equivalents at beginning of the period	7,232	2,958
Cash and cash equivalents at end of the period	16,309	1,904

The annexed notes from 1 to 12 form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (Un-Audited)

	Issued, subscribed and paid-up capital	Reserves		Total	
		Capital Share Premium	General Revenue Accumulated Loss		
(Rupees in thousand)					
	54,500	29,727	23,073	(104,689)	2,611
Profit for six months to December 31, 2011	-	-	-	(6,797)	(6,797)
Transfer from surplus on revaluation of Fixed Assets Dated: February 28th 2012	-	-	-	966	966
Balance as at December 31, 2010	54,500	29,727	23,073	(110,520)	(3,220)
Balance as at July 01, 2011	54,500	29,727	23,073	(104,689)	2,611
Profit for six months to December 31, 2011	-	-	-	(9,178)	(9,178)
Transfer from surplus on revaluation of Fixed Assets	-	-	-	966	966
Balance as at December 31, 2011	54,500	29,727	23,073	(112,899)	(5,599)

Share Capital

The annexed notes from 1 to 12 form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2012 (Un- Audited)

1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a public limited company on April 15, 1961 and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The registered office of the Company is situated at C-10, South Avenue, SITE, Karachi. The Company is principally engaged in manufacturing, installing and selling of electrical equipments. Etheridge Company Limited, Hong Kong, held 2,719,536 (2007: 2,719,536) ordinary shares of Rs. 10 each of the Company as at year end, which constitute 49.90% of total shares issued.

2. GOING CONCERN

The accumulated losses of the Company as at balance sheet date stand at Rs. _____ million that results in positive equity of Rs. _____ million.

The management has taken various steps to make the company financially sound and operationally viable which includes the following :

- (i) The company has rescheduled its obligation in respect of loan and financing arrangements with various lenders.
- (ii) Although the Company has witnessed a downward trend in its net sales, The Management is optimistic to boost its sales in the coming periods by aggressive and better marketing activities.

Free Cap The above factors indicate that the company will be able to generate sufficient cash from its operation to meet its obligations. Hence, these interim condensed financial statements have been prepared on the basis of going concern assumption and, therefore, do not include any adjustments that might result should the company not be able to continue as a going concern.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements are un audited but subject to limited scope review by auditors as required by the Code of Corporate Governance and are being circulated in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance) and have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence.

2.2 Accounting policies and estimates

The accounting policies adopted for the preparation of these interim condensed financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2012.

3 REVENUE RESERVE

	Un-audited 31-Dec-2012	Audited 31-Dec-2011
	(Rupees in thousand)	
General Reserve	23,073	23,073
Accumulated Loss	(115,375)	(110,518)
	(92,302)	(87,445)

**4 SURPLUS ON REVALUATION OF PROPERTY
PALNT AND EQUIPMENT**

Opening halance	127,947	129,201
Transferred to accumulated loss in respect of incremental depreciation on revalued assets	(966)	(966)
	<u>126,982</u>	<u>128,236</u>

5 LONG TERM BORROWINGS -Secured

Loan from other-unsecured	4,000	4,000
Loan - 1	15,518	12,139
Loan - 2	24,339	21,295
Loan - 3	36,720	41,667
	<u>80,577</u>	<u>79,101</u>
Less: Current portion & Accrued Mark-Up	(4,000)	(10,258)
	<u>76,577</u>	<u>68,844</u>

6 CONTINGENCIES AND COMMITMENTS

There are no change in contingencies and commitments as disclosed in the last audited financial statements.

7 PROPERTY, PLANT & EQUIPMENT

Owned

Fixed Capital Expenditure during the period amount to Rs. Nil million (June 30, 2012: Rs. _____million)

Leased

There are no additions and deletions in the Leased assets during the period (June 30, 2010: Rs. Nil) acquired during the period from Capital Assets Leasing Corporation.

8 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties and associated undertakings and remuneration and benefits to key management personnel under the terms of employment are as follows :

	Un-audited	Audited
	31-Dec-2012	31-Dec-2011
	(Rupees in thousand)	
Payments made on behalf of subsidiaries companies	1	9
Repayment of loan to subsidiary company	1	189
Remuneration and benefits to key management personnel	1	1,932
Payments of Contribution Provident Fund	1	91

Transactions with related parties have been carried out by the company at arm's length prices using the comparable uncontrolled price method.

9 DATE OF AUTHORISATION

These financial statements were authorised for issue on 28th February 2012 by the Board of Directors of the company.

10 GENERAL

10.1 Figures have been rounded off to the nearest thousand rupee.

10.2 Provision for Workers Profit Participation Fund along with the interest thereon at the prescribed rates will be made at the year end.

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2012

	Note	Un-audited 31-Dec-2012	Audited 31-Dec-2011
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment		180,816	187,608
Long term deposits		1,566	1,566
		182,383	189,174
CURRENT ASSETS			
Dated: February 28th 2012		23,870	23,870
Store, Spares and loose tools		2,396	2,396
Stock-in-trade		143,325	155,150
Trade debts		9,271	21,536
Loans and advances		27,981	36,466
Deposits, prepayments and other receivables		14,000	24,012
Advance Income Tax		4,620	3,029
Cash and bank balances		2,718	2,125
		228,181	268,584
TOTAL ASSETS		410,564	457,758
EQUITY AND LIABILITIES			
		(66,755)	(0)
Share Capital			
Authorised			
8,000,000 (June 30, 2007: 8,000,000) ordinary shares of Rs. 10 each		80,000	80,000
Issued, subscribed and paid-up		54,500	54,500
Reserves			
Capital - Share premium		29,727	29,727
Revenue reserve		23,073	23,073
Unappropriated Loss		(151,731)	(149,350)
SHARE HOLDERS' EQUITY		(44,431)	(42,050)
Surplus on revaluation of fixed assets		126,982	128,236
NON-CURRENT LIABILITIES			
Long term loans	5	76,577	68,844
Deferred liabilities - staff gratuity		6,513	7,183
CURRENT LIABILITIES			
Trade & other payable		203,255	203,255
Short term borrowings		90,665	90,665
Current portion of long term borrowings		10,258	10,258
Trade and others payable		-	-
Mark up accrued		2,673	2,673
Unclaimed dividend		4,268	4,268
Taxation		560	560
		311,679	311,679
Contingencies & Commitments	6	-	-
TOTAL EQUITY AND LIABILITIES		477,319	473,892

The annexed notes from 1 to 12 form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (Un-Audited)

	Half year ended		Quarter ended	
	31-Dec 2012	31-Dec 2011	Oct- Dec 2012	Oct- Dec 2011
	(Rupees in thousand)			
Sales and services (net)	36,494	74,213	-	32,247
Cost of sales and services	(31,035)	(62,885)	-	(27,294)
Gross Profit	5,458	11,328	-	4,953
Selling & distribution expenses	(3,368)	(3,547)	-	(2,016)
Dated: February 28th 2012	(9,860)	(10,431)	-	(5,519)
Other income	1,513	247	-	198
Operating Profit	(11,714)	(13,731)	-	(7,337)
	(6,256)	(2,403)	-	(2,384)
Financial charges	(2,769)	(3,546)	-	(1,764)
Profit before taxation	(9,024)	(5,949)	-	(4,148)
Taxation- Current	(164)	(858)	-	(374)
Profit after taxation	(9,188)	(6,807)	-	(4,522)
Minority Interest in loss for the period	13	17	13	8
	(9,175)	(6,790)	13	(4,514)
Minority Interest in excess of the capital transferred to profit & loss account of the group	(13)	(17)	(13)	(8)
	(9,188)	(6,807)	-	(4,522)
Earning per share - basic and diluted	(0.49)	0.20	(0.44)	0.03

The annexed notes from 1 to 11 form an integral part of this interim financial information.

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (Un-Audited)

	Dec 31, 2012	Dec 31, 2011
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	-	2,639
Adjustments for:		
Depreciation/Amortization	-	4,187
Provision for staff gratuity	-	467
Financial charges	-	3,578
	-	3,578
Profit before working capital changes	-	10,871
(Increase) / decrease in current assets		
Stock-in-trade	-	(69,706)
Trade debts	-	(28,572)
Loans and advances	-	294
Deposits, prepayments and other receivables	-	(15,662)
	-	(113,646)
Increase / (decrease) in current liabilities		
Trade and other payables	-	105,737
	-	2,962
Taxes paid	-	(728)
Gratuity paid	-	(24)
Financial charges paid	-	(2,325)
	-	(2,325)
Net cash inflow from operating activities	15,995	(3,077)
	15,995	(115)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to fixed assets	-	(12)
Proceeding from Long Term Investments	-	-
Proceeding of Short Term Investments	-	-
Proceeds from sales of fixed assets	-	-
Net increase in Long term deposits	-	-
Net cash used in investing activities	-	(12)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	-
Repayment of liabilities against assets subject to finance leases	-	-
Procees from Long Term Loan	-	-
Proceeds from short term loans and running finances	-	-
Proceeds from short term loans and running finances	-	-
Net cash used in financing activities	-	-
Net increase in cash and cash equivalents	4,968	(127)
Cash and cash equivalents at beginning of the period	3,947	5,183
Cash and cash equivalents at end of the period	8,916	5,056

The annexed notes from 1 to 12 form an integral part of these financial statements.

Chief Executive

Director

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2012 (Un-Audited)

	Issued, subscribed and paid-up capital	Reserves		
		Capital Share Premium	General	Revenue Accumulated Loss
(Rupees in thousand)				
Balance as at July 01, 2011	54,500	29,727	23,073	(143,509)
Profit for six months to December 31, 2010	-	-	-	(6,807)
Transfer from surplus on revaluation of Fixed Assets	-	-	-	966
Balance as at December 31, 2011	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(149,350)</u>
Balance as at July 01, 2012	54,500	29,727	23,073	(143,509)
Profit for six months to December 31, 2012	-	-	-	(9,188)
Transfer from surplus on revaluation of Fixed Assets	-	-	-	966
Balance as at December 31, 2012	<u>54,500</u>	<u>29,727</u>	<u>23,073</u>	<u>(151,731)</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

Chief Executive

Director

Total

(36,209)

(6,807)

966

(42,050)

(36,209)

(9,188)

966

(44,431)

(44,431)

(0)

JOHNSON & PHILLIPS (PAKISTAN) LIMITED
INTERIM CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. STATUS AND NATURE OF BUSINESS

Johnson and Phillips (Pakistan) Limited (the Company) was incorporated in Pakistan as a public limited company on April 15, 1961 and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The registered office of the Company is situated at C-10, South Avenue, SITE, Karachi. The Company is principally engaged in manufacturing , installing and selling of electrical equipments. Etheridge Company Limited, Hong Kong, held 2,719,536 (2006: 2,719,536) ordinary shares of Rs. 10 each of the Company as at year end, which constitute 49.90% of total shares issued.

Subsidiaries	Company Status	Group Holding
Johnson & Phillips Industries (Pakistan) Limited	Public Limited	100%
Johnson & Phillips Transformer Private) Limited	Private Limited	70%
January / Johnson & Phillips EMO (Private) Limited	Private Limited	51%

2

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 The subsidiaries of the Group, Johnson & Phillips Industries (Pakistan) Limited and Johnson & Phillips Transformer (Private) Limited closed production in July 1997 and February 1998 respectively. The accumulated losses of the Group as at December 31, 2009 stands at Rs.139.986 million resulting in a negative equity of Rs. 31.686 million and so of that date the Group's Current liabilities exceeded its assets by Rs.50.685 million. Consequently, the ability of the Group to continue as a going concern is dependent on the following significant factors:

The Management is of the view that the holding company will be able to continue as a going concern, and to make it viable in the foreseeable future, the management has taken various steps to the holding company financially sound and operationally viable which includes the following:

The Factors indicate that the holding company will be able to generated sufficient cash from its operation to meet its obligation. Hence, these financial statements have been prepared on the basis of going concern assumption, and therefore, do not include any adjustments that might result, should the company not be able to continues as a going concern.

Chief Executive

Director

7 CONTINGENCIES AND COMMITMENTS

There are no change in contingencies and commitments as disclosed in the last audited financial statements.

8 FIXED ASSETS

Owned

Fixed Capital Expenditure during the period amount to Rs. 0.326 million (June 30, 2008: Rs. 2.010 million)

Leased

There are no additions and deletions in the Leased assets during the period (June 30, 2008: Rs. 0.788 million) acquired during the period from Capital Assets Leasing Corporation.

February 28th 2012

9 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties and associated undertakings and remuneration and benefits to key management personnel under the terms of employment are as follows :

	Un-audited	Audited
	31-Dec-2011	31-Dec-2010
	(Rupees in thousand)	
Payments made on behalf of subsidiaries companies	1	9
Repayment of loan to subsidiary company	1	189
Remuneration and benefits to key management personnel	1	1,932
Payments of Contribution Provident Fund	1	91

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

10 DATE OF AUTHORISATION

These financial statements were authorised for issue on 28th February 2011 by the Board of Directors of the company.

11 GENERAL

11.1 Figures have been rounded off to the nearest thousand rupee.

11.2 Provision for Workers Profit Participation Fund along with the interest thereon at the prescribed rates will be made at the year end.

Chief Executive

Director

3 BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of Johnson & Phillips (Pakistan) Limited (the Holding Company) and its subsidiaries. The financial statement of each subsidiary have been consolidated on line by line basis.

All material inter company balances, transactions and resulting unrealized profit /loss have been eliminated. Minority interest in the equity and results of the subsidiaries that are controlled by Johnson & Phillips (Pakistan) Limited are shown as separate items in the consolidated financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Preparation

These accounting statements of the Groups are un-audited but subject to limited scope review by auditors and are being submitted t the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard 34 " Interim Financial Reporting" as applicable in Pakistan.

4.2 Accounting Convention

The accounting policies adopted for the preparation of these financial statement are the same as those applied in the preparation of the preceding annual published financial statement of the Group.

5 LONG-TERM LOAN

During the period holding company has entered into agreement which lenders to rescheduling of their outstand long-term loan. According to said agreement the company shall pay outstanding loan alongwith markup commencing from July 1st

6 CONTINGENCIES AND COMMITMENTS

There are no change in contingencies and commitments as disclosed in the last audited Financial statement.

7 TAXATION

Provision of current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation for taxation on income. The charge for current tax also included adjustments, where considered necessary, for provision for tax made in previous years, arising from assessment framed during the year, for such year.

8 FIXED ASSETS-TANGIBLE

Fixed Capital Expenditure during the period amount to Rs, Nil million (June 30, 2010: Rs..026 million)

9 TRANSACTION WITH RELATED PARTIES

Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the terms of employment disclosed elsewhere in these accounts, are as follows:

10 CASH AND CASH EQUIVALENT	Un-audited 31-Dec 2012	Un-audited 31-Dec 2011
Cash and Bank Balances	2,718	2,125

11 DATE OF AUTHORIZATION

These Financial Statements have been authorized for issue on February 28, 2012 by the Board of Directors of the Company

12 GENERAL

Figures have been rounded off to the nearest thousand rupee.

Chief Executive

Director