

CLIMAX



**QUARTERLY ACCOUNTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2016
(UN-AUDITED)**

THE CLIMAX ENGINEERING COMPANY LIMITED

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CHIEF EXECUTIVE'S REVIEW

Dear Members,

Balance Sheet and Profit and Loss of the Company for the quarter ended 30-09-2016 are presented to the Members in pursuance of Section 245 of the Companies Ordinance 1984.

During the quarter ended on 30-09-2016, the Company has achieved Sale of Rs. 9.914 million as compared to Rs. 8.6881 million for the corresponding period of the last year.

The financial and economic condition of the Country is still quite volatile and Electricity and Gas load shedding is also going on. However, we are trying our best to our overcome the problems as far as possible under the present circumstances prevailing in the country.

We would like to take this opportunity to express our appreciation and gratitude to our valued customers.



THE CLIMAX ENGINEERING COMPANY LIMITED

BALANCE SHEET AS AT SEP 30 , 2016 (UN-AUDITED)

EQUITY AND LIABILITIES	Un-audited As on Sep, 30 2016	Audited As on June, 30 2016
SHARE CAPITAL & RESERVES.		
Authorised Capital 5,000,000 ordinary shares of Rs. 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up capital	33,120,000	33,120,000
Accumulated Profit / (Loss)	<u>6,635,099</u>	<u>10,846,428</u>
Share Holder Equity	39,755,099	43,966,428
NON-CURRENT LIABILITIES:		
Due to related parties	62,668,694	62,606,714
Deferred Liability	16,654,173	16,775,158
	79,322,867	79,381,872
CURRENT LIABILITIES:		
Trade & Other Payables	193,370,471	182,121,233
Unclaimed Dividend	13,535	13,535
	193,384,006	182,134,768
CONTINGENCIES AND COMMITMENTS		
	-	-
	<u>312,461,966</u>	<u>305,483,068</u>



THE CLIMAX ENGINEERING COMPANY LIMITED

BALANCE SHEET AS AT SEP 30 , 2016 (UN-AUDITED)

	Un-audited	Audited
	As on	As on
	Sep, 30	June, 30
	2016	2016
	Rupees	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	44,830,158	44,903,571
Capital Work in progress	4,857,115.00	4,857,115
Long Term Security Deposits	1,123,500	1,123,500
	<u>50,810,773</u>	<u>50,884,186</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	1,484,895	1,484,895
Stock in trade	132,159,642	132,624,640
Trade debts (unsecured) considered good	63,629,373	60,530,580
Due from Related Parties	649,153	649,154
Loans and Advances -unsecured	16,188,208	15,541,257
Trade deposits and short term prepayments	74,444	74,444
other receivable	24,766,980	24,490,966
Cash and Bank Balances	22,698,498	19,202,947
	261,651,193	254,598,883
	<u>312,461,966</u>	<u>305,483,069</u>



THE CLIMAX ENGINEERING COMPANY LIMITED

PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEP 30, 2016.

	Un-audited As on Sep30, 2016	Un-audited As on Sep30, 2015
	Rupees	
Sales	9,914,330.00	8,688,152.00
Cost of Sales	12,541,962.66	11,095,711.93
Gross Profit	(2,627,632.66)	(2,407,559.93)
 OPERATING EXPENSES		
Selling and Distribution Cost	-	53,000.00
Administrative and General Exp	1,577,510.11	2,312,667.50
	1,577,510.11	2,365,667.50
OPERATING PROFIT / LOSS	(4,205,142.77)	(4,773,227.43)
FINANCE COST	(6,186.00)	(9,527.00)
	(4,211,328.77)	(4,782,754.43)
Loss before Taxation	(4,211,328.77)	(4,782,754.43)
TAXATION	-	-
LOSS AFTER TAXATION	(4,211,328.77)	(4,782,754.43)
BASIC EARNING PER SHARE. (IN RUPEES)	(1.272)	(1.444)



THE CLIMAX ENGINEERING COMPANY LIMITED

CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEP 30, 2016.(UN-AUDITED)

	Sep30, 2016	Sep30, 2015
	Rupees	
A. Cash flow from operating activities:		
Profit/ (Loss) before taxation	(4,211,329)	(4,782,754)
Adjustments for non cash charges and other items		
Depreciation.	73,412	1,240,570
Financial charges.	6,186	9,542
Profit on Sale of Fixed Assets	-	-
	<u>79,598</u>	<u>1,250,112</u>
Profit/ (Loss) before working capital changes	(4,131,731)	(3,532,642)
Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
Stock in trade	464,998	345,927
Trade debts	(3,098,798)	5,527,504
Loan and advances	(646,951)	(1,095,430)
Other receivables	-	-
Deposits, prepayments and other receivables	(276,014)	(269,084)
	<u>(3,556,765)</u>	<u>4,508,917</u>
Increase / (decrease) in current liabilities		
Trade and Other payables	11,249,238	(1,253,132)
Cash Generated from operations	<u>3,560,742</u>	<u>(276,857)</u>
Financial Charges Paid	(6,186)	(9,545)
Taxes Paid	-	-
	<u>(6,186)</u>	<u>(9,545)</u>
Net cash inflow from operating activities.	3,554,556	(286,402)
Cash flow from investing activities:		
Sales Proceed of Fixed Assets	-	-
Fixed capital expenditure	-	-
Net cash (outflow) from investing activities.	-	-
Cash flow from financing activities:		
Payment from related Parties	61,980	61,980
Deferred Liability	(120,985)	-
Net Cash (outflow) from financing activities:	<u>(59,005)</u>	<u>61,980</u>
Net (Decrease) / Increase in Cash and Cash equivalents	3,495,551	(224,434)
Cash and cash equivalents at beginning of year	<u>19,202,947</u>	<u>5,800,621</u>
Cash and cash equivalents at end of year	<u>22,698,498</u>	<u>5,576,187</u>



THE CLIMAX ENGINEERING COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEP 30, 2016. (UN-AUDITED)

	Sep ,30 2016	Sep ,30 2015
	Rupees	Rupees
LOSS FOR THE PERIOD	(4,211,329)	49,207,768
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE LOSS	<u>(4,211,328.77)</u>	<u>49,207,768.00</u>

The annexed notes form an integral part of this condensed financial informations.

THE CLIMAX ENGINEERING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY.
FOR THE QUARTER ENDED SEP 30, 2016

	Share Capital	Accumulated Profit/ (Loss)	Total
	Rupees	Rupees	Rupees
As at July 01,2015	33,120,000	36,319,559	69,439,559
Total comprehensive (loss)/income for the Quarter		12,888,209	12,888,209
			-
As at Sep 30, 2015	<u>33,120,000</u>	<u>49,207,768</u>	<u>82,327,768</u>
			-
Total comprehensive (loss)/income for the year		(38,361,340)	(38,361,340)
			-
As at July 01, 2016	<u>33,120,000</u>	<u>10,846,428</u>	<u>43,966,428</u>
Profit / (Loss) for the Quarter		(4,211,329)	(4,211,329)
As at Sep 30, 2016	<u>33,120,000</u>	<u>6,635,099</u>	<u>39,755,099</u>

THE CLIMAX ENGINEERING COMPANY LIMITED

NOTES TO THE ACCOUNTS (UN - AUDITED)
For The Quarter Ended Sep 30, 2016 (Un-Audited)

01. THE COMPANY AND ITS OPERATIONS

The Climax Engineering Company Limited, which was established in 1940 as partnership concern, was incorporated on May 02, 1958 under the Company Act, 1913 (now the Companies Ordinance, 1984) as a Private Limited Company. It was converted into Public Limited Company in June, 1970. Its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company is principally engaged in the manufacturing and sale of electric capital goods.

02. BASIS OF OPERATION

These condensed interim financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements do not include all of the information required for full financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2016. Further these accounts are being circulated to the shareholders as required under clause (XX) of the Code of Corporate Governance and section 245 of the Companies Ordinance, 1984.

03. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In these condensed interim financial statements, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

04. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements of the company for the quarter ended June 30, 2014.

05. CONTINGENCIES AND COMMITMENTS

- A) Custom Duty amounting to Rs. 29.362 million for the year 1999 is disputed and case is pending in the honorable Court. The management of the Company is hopeful to get the decision made in favor of the Company.
- B) Company received an order of investigation under section 263 of the Companies Ordinance 1984 from Enforcement Department of SECP regarding sale of its lands from 2004 to 2012 dated January 31, 2013. In order, the inspectors were authorized to conduct complete and effective investigation on all aspects of the company including sale processes of land measuring 354 kanals. However, till date company had not received any further order from SECP; and management is hopeful to receive the order in favour of the Company.

06.- DATE OF AUTHORIZATION

These financial statements were authorised for issue, by Board of Directors on October 31, 2016.

07.- Corresponding figures have been re-arranged wherever necessary for the purpose of comparison.

- Figures have been rounded off to the nearest thousand of rupees.