

CLIMAX



**QUARTERLY ACCOUNTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2018
(UN-AUDITED)**

THE CLIMAX ENGINEERING COMPANY LIMITED

Head Office:

Climaxabad, G.T. Road, Gujranwala. Tel: 055-3256312~15

Fax: 055-3254222 E-mail: info@theclimaxeng.com

Karachi Office:

205 Sea Breeze Plaza, 2nd Floor, Shahar-e-Faisal, Karachi

Tel: 0213-2789220, Fax: 0213-2789219



THE CLIMAX ENGINEERING COMPANY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS :

1. CH. IMTIAZ. A. HAMEED Chairman
2. CH. M. A. QAYYUM Chief Executive
3. CH. ABDUL SALAM
4. CH. MAHMOOD GHANI FAIZI
5. CH. USMAN GHANI FAIZI
6. CH. IQBAL NAZIR
7. CH. SHOAIB HAMEED

COMPANY SECRETARY :

SH. MUHAMMAD ASLAM

AUDIT COMMITTEE :

- | | |
|--------------------------|----------|
| 1. CH. USMAN GHANI FAIZI | Chairman |
| 2. CH. IQBAL NAZIR | Member |
| 3. CH. ABDUL SALAM | Member |

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE :**

- | | |
|----------------------------|----------|
| 1. CH. SHOAIB HAMEED | Chairman |
| 2. CH. ABDUL SALAM | Member |
| 3. CH. MAHMOOD GHANI FAIZI | Member |

CHIEF FINANCIAL OFFICER :

SH. JAMIL AHMAD

AUDITORS:

**M/s. QADEER & Co.
Chartered Accountants**

LEGAL ADVISORS:

KHURRAM SAEED

**REGISTERED OFFICE & WORKS : CLIMAXABAD, G.T. ROAD,
GUJRANWALA,**

BANKERS :

**THE BANK OF KHYBER LTD.
HABIB BANK LTD.
NATIONAL BANK OF PAKISTAN LTD.
HABIB METRO POLITAN BANK LTD.**

SHARE REGISTRAR

**M/S Corplink PVT. Ltd.
Lahore.**



THE CLIMAX ENGINEERING COMPANY LIMITED

CHAIRMAN REVIEW

Dear Members,

Balance Sheet and Profit and Loss of the Company for the Quarter ended 30-09-2018 are presented to the Members in pursuance of Section 237 of the Companies Act 2017.

During the Quarter ended on 30-09-2018, the Company has achieved Sale of Rs. 2.963 million as compared to Rs. 8.517 million for the corresponding period of the last year.

Main reason for loss is due to lesser sale orders because of low economic activity and sever competition in the market. The political uncertainly is also affecting the business condition in the country.

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 overcome the problems as far as possible under the present circumstances prevailing in the country.

Keeping in view the above circumstances processing in the company. It has been decided by the Board of Director to down size the labour force accordingly.

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

Gujranwala
October 27, 2018

-2-

CH.IMTIAZ A. HAMEED
CHAIRMAN



THE CLIMAX ENGINEERING COMPANY LIMITED

BALANCE SHEET AS AT SEP 30 , 2018 (UN-AUDITED)

	Un-audited As on Sep, 30 2018	Audited As on June, 30 2018
EQUITY AND LIABILITIES		
SHARE CAPITAL & RESERVES.		
Authorised Capital 5,000,000 ordinary shares of Rs. 10/- each	50,000,000	50,000,000
Issued, Subscribed and Paid up capital	33,120,000	33,120,000
Accumulated Profit /(Loss)	59,169,923	61,864,097
Share Holder Equity	92,289,923	94,984,097
NON-CURRENT LIABILITIES:		
Due to related parties	56,897,418	56,897,418
Deferred Liability	4,368,409	4,443,409
	61,265,827	61,340,827
CURRENT LIABILITIES:		
Trade & Other Payables	93,408,186	92,170,772
Provision for Taxation		349,249
Unclaimed Dividend	13,535	13,535
	93,421,721	92,533,556
CONTINGENCIES AND COMMITMENTS		
	246,977,471	248,858,480

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



THE CLIMAX ENGINEERING COMPANY LIMITED

BALANCE SHEET AS AT SEP 30 , 2018 (UN-AUDITED)

	Un-audited As on Sep, 30 2018	Audited As on June, 30 2018
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	43,619,185	43,670,580
Capital Work in progress	30,474,515	30,474,515
Long Term Security Deposits	<u>1,123,500</u>	<u>1,123,500</u>
	75,217,200	75,268,595
CURRENT ASSETS		
Stores, spare parts and loose tools	258,216	253,758
Stock in trade	79,575,784	79,696,742
Trade debts (unsecured) considered good	33,103,098	33,307,574
	-	-
Loans and Advances -unsecured	5,716,128	6,653,515
Trade deposits and short term prepayments	-	-
other receivable	30,818,146	53,213,534
Cash and Bank Balances	<u>22,288,898</u>	<u>464,762</u>
	171,760,270	173,589,885
	<u>246,977,471</u>	<u>248,858,480</u>

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



THE CLIMAX ENGINEERING COMPANY LIMITED

PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEP 30, 2018.

	Un-audited As on Sep30, 2018	Un-audited As on Sep30, 2017
Sales	2,963,867	8,517,588
Cost of Sales	<u>(4,448,809)</u>	<u>(10,320,788)</u>
Gross Loss	(1,484,942)	(1,803,200)
OPERATING EXPENSES		
Selling and Distribution Cost	<u>(1,206,500)</u>	<u>(1,614,136)</u>
Administrative and General Exp	<u>(1,206,500)</u>	<u>(1,614,136)</u>
OPERATING PROFIT / LOSS	(2,691,442)	(3,417,336)
FINANCE COST	<u>(2,732)</u>	<u>(8,713)</u>
	(2,694,174)	(3,426,049)
OTHER OPERATING INCOME	-	176,768
Loss before Taxation	<u>(2,694,174)</u>	<u>(3,249,281)</u>
TAXATION		
LOSS AFTER TAXATION	<u>(2,694,174)</u>	<u>(3,249,281)</u>
BASIC EARNING PER SHARE. (IN RUPEES)	<u>(0.813)</u>	<u>(0.981)</u>

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED SEP 30, 2018. (UN-AUDITED)

	Sep ,30 2018	Sep ,30 2017
LOSS FOR THE PERIOD	(2,694,174)	(3,249,281)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE LOSS	<u>(2,694,173.52)</u>	<u>(3,249,281.00)</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, 2018

	Share Capital	Accumulated Profit/ (Loss)	Total
As at July 01,2017	33,120,000	71,102,516	104,222,516
Total comprehensive (loss)/income for the Quarter		(3,249,581)	(3,249,581)
As at Sep 30, 2017	<u>33,120,000</u>	<u>67,852,935</u>	<u>100,972,935</u>
Total comprehensive (loss)/income for the year		(5,988,838)	-5988838
As at July 01, 2018	<u>33,120,000</u>	<u>61,864,097</u>	<u>94,984,097</u>
Profit / (Loss) for the Quarter		(2,694,174)	(2,694,174)
As at Sep 30, 2018	<u>33,120,000</u>	<u>59,169,923</u>	<u>92,289,923</u>

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



THE CLIMAX ENGINEERING COMPANY LIMITED

CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEP 30, 2018.(UN-AUDITED)

	Sep30, <u>2018</u>	Sep30, <u>2017</u>
A. Cash flow from operating activities:		
Profit/ (Loss) before taxation	(2,694,174)	(3,249,581)
Adjustments for non cash charges and other items		
Depreciation.	51,395	55,286
Financial charges.	2,732	8,713
Profit on sale of Fixed Assets		(176,468)
	<u>54,127</u>	<u>(112,469)</u>
Profit/ (Loss) before working capital changes	(2,640,047)	(3,362,050)
Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
Stock in trade	116,500	1,100,000
Trade debts	204,476	395,325
Loan and advances	937,387	(2,551,084)
Other receivables		-
Deposits, prepayments and other receivables	22,395,388	3,028,748
	<u>23,653,751</u>	<u>1,972,989</u>
Increase / (decrease) in current liabilities		
Trade and Other payables	1,237,414	(1,122,217)
Cash Generated from operations	<u>22,251,118</u>	<u>(2,511,278)</u>
Financial Charges Paid	(2,732)	(8,713)
Taxes Paid	(349,250)	
	<u>(351,982)</u>	<u>(8,713)</u>
Net cash inflow from operating activities.	21,899,136	(2,519,991)
Cash flow from investing activities:		
Sales Proceed of Fixed Assets		200,000
Fixed capital expenditure		(36,000)
Net cash (outflow) from investing activities.	-	164,000
Cash flow from financing activities:		
Payment from related Parties		(46,932)
Deferred Liability	(75,000)	(1,843,719)
Net Cash (outflow) from financing activities:	<u>(75,000)</u>	<u>(1,890,651)</u>
Net (Decrease) / Increase in Cash and Cash equivalents	21,824,136	(4,246,642)
Cash and cash equivalents at beginning of year	464,762	15,281,948
Cash and cash equivalents at end of year	<u>22,288,898</u>	<u>11,035,306</u>

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

THE CLIMAX ENGINEERING COMPANY LIMITED

NOTES TO THE ACCOUNTS (UN - AUDITED)
For The Quarter Ended Sep 30, 2018 (Un-Audited)

●1.LEGAL STATUS AND OPERATIONS

The Climax Engineering Company Limited ('the company'), which was established in 1940 as a partnership concern, was incorporated on May 02, 1958 under the Companies Act, 1913, (then the Companies Ordinance, 1984 and now the Companies Act, 2017) as a Private Limited Company. It was converted into Public Limited Company in June 1970. Its Shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in the manufacturing and sale of electric capital goods. The registered office of the Company is situated at Climaxabad, G.T. Road, Gujranwala.

●SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, significant judgment made in the application of accounting policies, key sources of estimation, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018.

●3. CONTINGENCIES AND COMMITMENTS

(I) Custom Duty amounting to Rs: 29.362 million for the year 1999 is disputed and case is pending in honorable Court No decision has yet been made by the honorable Court. The management of the company is hopeful to get the decision made in favor of the company.

(ii) 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 favor of the Company.

(iii) There are not other significant contingencies and commitments as at balance sheet date.

●4. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, directors and key management personnel. Amounts due to related parties are shown in the balance sheet and are carried out at mutual agreed term. During the period no transaction with regard to sale and purchase with related parties and associated undertaking were occurred:

●5. DATE OF AUTHORIZATION

The condensed interim financial information was approved by the Board of Directors and authorized for circulation to the shareholders on October 27, 2018.

●6. GENERAL

- Figures have been rounded off to the nearest thousand of rupees.
- Corresponding figures have been re-arranged where-ever necessary for the purpose of comparison

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR