



**QUARTERLY ACCOUNTS  
FOR THE 1ST QUARTER  
ENDED SEPTEMBER 2010  
(UNAUDITED)**



**BAWANYAIR  
PRODUCTS LIMITED**



**BAWANYAIR**  
PRODUCTS LIMITED



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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. M. Hanif Y. Bawany  
Ms. Momiza Kapadia  
Mr. Vali Mohammad M. Yahya  
Mr. Mohammad Ashraf  
Mr. Wazir Ahmed Jomezai  
Mr. Zakaria A. Ghaffar  
Mr. Siraj A. Kadir

### **AUDIT COMMITTEE**

Mr. Zakaria A. Ghaffar - Chairman  
Mr. Siraj A. Kadir - Member  
Mr. Mohammad Ashraf - Member

### **CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

Mr. Sohail Razzak

### **AUDITORS**

M. Yousuf Adil Saleem & Co.  
Chartered Accountants

### **BANKERS**

The Royal Bank of Scotland Limited  
United Bank Limited  
MCB Bank Limited

### **REGISTERED OFFICE**

Khasra No. 52/53 R.C.D. Highway,  
Mouza Pathra, Tehsil Hub,  
Lasbella District, Balochistan.  
Tel : 0853 - 363287-8, 0853 - 363289 Fax: 0853 - 363290

### **CITY OFFICE**

16-C, 2nd Floor, Nadir House,  
I.I. Chundrigar Road,  
Karachi.  
Tel : 3240-0440 Fax : 3241-1986



**BAWANYAIR**  
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## QUARTERLY REVIEW

### **Assalam-O-Alaikum**

On behalf of the Board of Directors of Bawany Air Products Limited, I am pleased to present the un-audited accounts for the 1st quarter ended September 30, 2010.

Unfortunately sales of the Company dropped drastically from Rs.47.97 Million to Rs.38.95 Million. This was initially due to the Holy month of Ramadan which is quite normal as working hours are reduced in the holy month. During the later half of Ramadan the devastating floods which were the worst in recorded history of Pakistan and this area for the past 500 years took its toll in human life and property which obviously reduced demand throughout the manufacturing sector. This has vastly impacted our sales for which we were unable to do anything but pray to Al-mighty Allah for forgiveness.

However while writing this report our sales have started picking up and we hope to make normal profit by the end of 2nd quarter 2010-2011 i.e 6 months ending December 2010-2011.

We hope and pray to Allah that this evil of killing of innocent people stops before it destroys our country by consuming it in hatred of each other for no reason what so ever.

May Allah have mercy on us, our people and our country and may he guide our leaders to do what is required to rid us of this menace.

I take this opportunity to thank our valued customers and our shareholders for their support and also appreciate the hard work and efforts of the members of the staff and workers.

On behalf of the board of directors

Karachi: October 21, 2010

**M.Hanif Y. Bawany**  
Managing Director / Chief Executive Officer



**BAWANYAIR**  
PRODUCTS LIMITED



**PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010**

	Note	Quarter ended September 30, 2010 Rupees	Quarter ended September 30, 2009 Rupees
Sales - net		38,951,735	47,968,836
Cost of goods sold	3	(32,293,468)	(38,771,368)
Gross profit		6,658,267	9,197,468
Other income		—	—
		6,658,267	9,197,468
Distribution cost		(1,204,582)	(1,350,930)
Administration expenses		(2,971,725)	(2,747,233)
Finance cost		(1,856,687)	(3,073,744)
		625,273	2,025,561
Gain on trading of gases		—	—
Profit before taxation		625,273	2,025,561
Provision for taxation		(389,517)	(240,173)
Profit after taxation		235,756	1,785,388
Earning per share		0.03	0.26

The annexed notes form an integral part of these financial statements.

**M. HANIF Y. BAWANY**  
MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

**SIRAJ A. KADIR**  
DIRECTOR



**BAWANYAIR**  
PRODUCTS LIMITED



## BALANCE SHEET

	Note	September 30, 2010 Rupees	June 30, 2010 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized			
15,000,000 ordinary shares of Rs.10/- each		150,000,000	150,000,000
Issued, subscribed and paid up		68,204,640	68,204,640
Accumulated profit		7,466,723	7,230,967
		75,671,363	75,435,607
Surplus on revaluation of property, plant and equipment - net		20,891,958	20,891,958
<b>NON CURRENT LIABILITIES</b>			
Long term financing		42,935,389	44,001,009
Long term deposits		32,782,271	30,643,636
<b>CURRENT LIABILITIES</b>			
Trade and other payables		23,186,943	27,777,270
Interest/Mark up accrued		13,511,159	7,721,435
Short term borrowing		19,096,689	10,184,187
Current portion of:			
Long term financing		23,086,167	31,833,838
		78,880,958	77,516,730
<b>CONTINGENCY</b>	2		
		251,161,939	248,488,940



**BAWANYAIR**  
PRODUCTS LIMITED



## AS AT SEPTEMBER 30, 2010

	Note	September 30, 2010 Rupees	June 30, 2010 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		206,935,304	208,773,716
Long term deposits		3,701,452	3,701,452
Deferred tax assets		8,906,907	8,906,907
<b>CURRENT ASSETS</b>			
Stores and spares		1,311,409	1,448,761
Stock in trade		5,695,710	3,258,301
Trade debtors - Unsecured considered goods		10,648,139	12,996,320
Loans and advances		1,618,792	716,994
Advance tax		6,193,424	4,151,282
Trade deposits		2,057,629	576,910
Other financial assets		60,625	60,625
Income tax refundable		3,705,714	3,705,714
Cash and bank balances		326,834	191,958
		31,618,276	27,106,865
		<u>251,161,939</u>	<u>248,488,940</u>

The annexed notes form an integral part of these financial statements.

**M. HANIF Y. BAWANY**  
MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

**SIRAJ A. KADIR**  
DIRECTOR



**BAWANYAIR**  
PRODUCTS LIMITED



**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2010**

	<b>Cummulative upto 3 months ended September 30, 2010 Rupees</b>	<b>Cummulative upto 3 months ended September 30, 2009 Rupees</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	625,273	2,025,561
Adjustments:		
Depreciation	1,911,215	638,574
Profit on sale of property, plant and equipment	-	-
Profit on saving account	-	(1,735)
Dividend income	-	-
Surplus on revaluation of investments	-	-
Profit on sale of investment property	-	-
Finance cost	1,856,687	3,073,744
Operating cash flows before working capital changes	4,393,175	5,736,144
Changes in working capital (Increase) / decrease in current assets		
Stores and spares	137,352	(147,446)
Stock in trade	(2,437,409)	(2,702,047)
Trade debtors - considered goods	2,348,181	(34,936)
Loans, advances, deposits, prepayments, other receivables and income tax refundable	(340,374)	(1,069,107)
Long term deposits	-	(45,000)
Increase / (decrease) in current liabilities Trade and other payables	(4,590,327)	5,657,681
	(4,882,577)	1,659,145
	(489,402)	7,395,289
Finance cost paid	(354,091)	(619,598)
Taxes	(990,586)	(1,110,618)
Net cash used in operating activities	(1,834,079)	5,665,073



**BAWANYAIR**  
PRODUCTS LIMITED



**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE 1ST QUARTER ENDED SEPTEMBER 30,2010**

	<b>Cummulative upto 3 months ended September 30, 2010 Rupees</b>	<b>Cummulative upto 3 months ended September 30, 2009 Rupees</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(97,351)	(841,635)
Proceeds from disposal of fixed assets	–	–
Dividend income	–	–
Profit on saving account	–	1,735
Net cash used in investing activities	<u>(97,351)</u>	<u>(839,900)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of right shares	–	–
Long term financing acquired	–	–
Repayment of long term financing	(5,072,329)	(1,280,000)
Short term borrowing acquired	5,000,000	–
Repayment of lease liability	–	(357,746)
Repayment of short term borrowing	–	(5,854,309)
Long term deposits	2,138,635	3,014,788
Net cash generated from financing activities	<u>2,066,306</u>	<u>(4,477,267)</u>
Net decrease in cash and cash equivalents	134,876	347,906
Cash and cash equivalents at the beginning of the period	191,958	658,421
Cash and cash equivalents at the end of the period	<u>326,834</u>	<u>1,006,327</u>
Cash and cash equivalents	326,834	1,006,327
Cash and bank balances	326,834	1,006,327
Book overdraft	–	–
	<u>326,834</u>	<u>1,006,327</u>

The annexed notes form an integral part of these financial statements.

**M. HANIF Y. BAWANY**  
MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

**SIRAJ A. KADIR**  
DIRECTOR





**BAWANYAIR**  
PRODUCTS LIMITED



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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

**1. SELECTED EXPLANATORY NOTES TO THE ACCOUNTS**

- 1.1** The Company is limited by shares incorporated in Pakistan on August 16,1978 and is quoted on Karachi Stock Exchange. It is engaged in production and trading of industrial gases.The unit is located at Hub Industrial Trading Estate in the province of Balochistan.
- 1.2** These financial statements have been prepared in compliance with the International Accounting Standards (IAS 34), Interim Financial Reporting.
- 1.3** The accounting policies and methods of computation followed in the preparation of these quarterly accounts are the same as those of the published annual financial statements for the year ended June 30,2010.
- 1.4** These accounts are prepared in compliance with the SRO 764(1) dated November 05,2001 of Securities and Exchange Commission of Pakistan.
- 1.5** There is no unusual item included in the accounts, which is affecting assets,liabilities,equity, net income or cash flows of the Company.

**As at  
September 30,  
2010  
Rupees**

**As at  
September 30,  
2009  
Rupees**

**2. CONTINGENCY**



**BAWANYAIR**  
PRODUCTS LIMITED



	<b>Quarter ended September 30, 2010 Rupees</b>	<b>Quarter ended September 30, 2009 Rupees</b>
<b>3. COST OF GOODS SOLD</b>		
Raw material consumed	13,982,529	15,299,962
Power, fuel and water	10,585,540	15,261,020
Salaries, wages and benefits	3,069,304	3,854,810
Stores and spares	845,711	758,781
Vehicles running and maintenance	146,798	172,669
Depreciation	1,764,389	550,808
Repair, maintenance and handling	2,158,813	2,471,513
Insurance	407,232	88,147
Transportation charges for purchase raw materials	1,642,680	2,928,128
Others	446,899	673,075
	<u>35,049,895</u>	<u>42,058,913</u>
Maintenance and other charges recovered	(327,532)	(772,987)
	<u>34,722,363</u>	<u>41,285,926</u>
Finished goods		
Opening stock	2,475,278	1,015,229
Closing stock	(4,904,173)	(3,529,787)
	<u>(2,428,895)</u>	<u>(2,514,558)</u>
	<u><u>32,293,468</u></u>	<u><u>38,771,368</u></u>

	<b>September 30, 2010 Rupees Acquisition</b>	<b>September 30, 2010 Rupees Disposal</b>	<b>September 30, 2010 Rupees Sale proceeds</b>
<b>4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT</b>			
Factory building on freehold land	97,348	-	-
Property, plant and machinery	-	-	-
Gas cylinders	-	-	-
Office equipment	-	-	-
Vehicle	-	-	-

## 5. STATEMENT OF CHANGES IN EQUITY

	Issued subscribed and paid up Capital Rupees	Accumulated (Loss) / profit Rupees	Total Rupees
Balance at July 01, 2009	68,204,640	(46,040,856)	22,163,784
Profit for the half year ended December 31, 2009	-	40,728,976	40,728,976
Balance at January 01, 2010	68,204,640	(5,311,880)	62,892,760
Profit for the half year ended June 30, 2010	-	12,542,847	12,542,847
Balance at July 01, 2010	68,204,640	7,230,967	75,435,607
Profit for the 1st quarter ended September 30, 2010	-	235,756	235,756
	<u>68,204,640</u>	<u>7,466,723</u>	<u>75,671,363</u>

## 6. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 21, 2010 by the Board of Directors of the Company.

## 7. FIGURES

Figures have been rounded off nearest to Rupee. Corresponding figures have been rearranged and regrouped wherever necessary for the purpose of comparison.

**M. HANIF Y. BAWANY**  
MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

**SIRAJ A. KADIR**  
DIRECTOR



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