



**HALF YEARLY ACCOUNTS
DECEMBER 31, 2010
(UNAUDITED)**



**BAWANYAIR
PRODUCTS LIMITED**



BAWANYAIR
PRODUCTS LIMITED



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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



HALF YEARLY REVIEW

Assalam - O - Alaikum

On behalf of the Board of Directors of Bawany Air Products Limited, I am pleased to present the audited accounts for the half Year ended December 31st 2010.

During the six month review period of July 10' - December 10', the company sold around 2.18 million cubic meters of gas products translating into sales revenue of approximately Rs. 90.49 million as compared to the sales for the half year July 09' - December 09' which stood at Rs. 94.64 million for 2.70 million cubic meters of gas products.

There was slow down of Gaddani ship breaking yard activities during the first quarter July -Sep 2010 as explained in our last report due to Ramadan and the devastating flood. Our sales for the quarter Oct - Dec 2010 is much improved as projected in our last report. Ship breaking activities at Gaddani is still continuing well and we hope it will continue for many years to come Insha Allah. Gaddani will once again become the worlds number **ONE** ship breaking yard once more. Industrial activities has also picked up slightly as our sales to other sectors has also improved.

We are very pleased to report that one more bank has settled their account with us and we hope soon to settle with our last remaining litigation. Meanwhile we have approached a financial institution / individual financiers for equity participation and we are hopeful to sign a MOU soon.

The directors of your company are pleased to place on record their appreciation of the members of the staff and workers for their efforts and hard work.

On behalf of the board of directors

Karachi: February 18, 2011

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



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Bawany Air Products Limited ("the Company") as at December 31, 2010 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and selected explanatory notes to the condensed interim financial statements for the six months then ended [here-in-after referred to as "interim financial information"]. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. 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, 2010 and 2009 have not been reviewed as we are required to review only the cumulative figures for the six months ended December 31, 2010.

Scope of Review

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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended December 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the matter described in note 3 to the interim financial information that describes the rectification of prior year error pertaining to recording of electricity charges. Our conclusion is not qualified in respect of this matter.

M. YOUSUF ADIL SALEEM & CO.

Chartered Accountants
Nadeem Yousuf Adil
Engagement Partner

Karachi
Dated: February 18, 2011



BAWANYAIR
PRODUCTS LIMITED



CONDENSED INTERIM BALANCE SHEET

	Note	Unaudited December 31, 2010	Audited June 30, 2010 (Restated)
-----Rupees -----			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital 15,000,000 ordinary shares of Rs.10/- each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid up		68,204,640	68,204,640
Un-appropriated profit		5,682,452	5,164,193
		73,887,092	73,368,833
Surplus on revaluation of property, plant and equipment - net	5	20,598,623	20,891,958
Non Current Liabilities			
Long term financing	6	31,087,678	44,001,009
Long term deposits		28,733,741	30,643,636
Current Liabilities			
Trade and other payables		31,664,539	30,956,923
Interest/mark up accrued	7	6,352,123	7,721,435
Short-term borrowing	8	23,989,588	10,184,187
Current portion of long term financing	6	27,932,325	31,833,838
		89,938,575	80,696,383
Total Equity and Liabilities		<u><u>244,245,709</u></u>	<u><u>249,601,819</u></u>



BAWANYAIR
PRODUCTS LIMITED



AS AT DECEMBER 31, 2010

	Note	Unaudited December 31, 2010	Audited June 30, 2010 (Restated)
-----Rupees -----			
ASSETS			
Non Current Assets			
Property, plant and equipment	9	205,461,376	208,773,716
Long term deposits		3,701,452	3,701,452
Deferred tax assets	10	7,575,817	10,019,786
CURRENT ASSETS			
Stores and spares		1,396,606	1,448,761
Stock in trade		1,702,492	3,258,301
Trade debts		16,032,500	12,996,320
Loans and advances		1,068,968	716,994
Advance tax		681,683	4,151,282
Trade deposits		1,445,960	576,910
Other financial assets		86,725	60,625
Income tax refundable		4,150,701	3,705,714
Cash and bank balances		941,429	191,958
		27,507,064	27,106,865
Total Assets		<u>244,245,709</u>	<u>249,601,819</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

M. HANIF Y. BAWANY
Managing Director / Chief Executive Officer

SIRAJ A. KADIR
Director



BAWANYAIR
PRODUCTS LIMITED



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Note	Six months		Three months	
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
		----- Rupees -----	----- Rupees -----		
Sales - net		90,130,309	94,614,877	51,178,574	46,646,041
Cost of sales	11	(69,352,244)	(71,884,555)	(37,055,126)	(33,113,187)
Gross profit		20,778,065	22,730,322	14,123,448	13,532,854
Profit from trading activities - gases		4,420	28,526	4,420	28,526
Other operating income		221,854	1,881	221,854	1,881
Unrealized gain on revaluation of other financial assets		26,100	10,266	26,100	-
		21,030,439	22,770,995	14,375,822	13,563,261
Distribution cost		(2,435,602)	(2,614,950)	(1,231,020)	(1,264,020)
Administrative expenses		(6,137,546)	(5,363,510)	(3,165,821)	(2,616,277)
Finance (cost) / income	12	(2,417,686)	7,471,917	(560,999)	10,547,954
Other operating expenses	13	(3,059,068)	(1,563,917)	(3,059,068)	(1,563,917)
Profit before taxation		6,980,537	20,700,535	6,358,914	18,667,001
Provision for taxation					
- current	14	(901,412)	(473,074)	(511,895)	(232,901)
- deferred	10	(2,443,969)	20,501,515	(2,443,969)	20,501,515
Profit for the period		3,635,156	40,728,976	3,403,050	38,935,615
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		3,635,156	40,728,976	3,403,050	38,935,615
Earnings per share - basic and diluted		0.53	5.97	0.50	5.71

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

M. HANIF Y. BAWANY
Managing Director / Chief Executive Officer

SIRAJ A. KADIR
Director



BAWANYAIR
PRODUCTS LIMITED



**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Note	Six months	
		December 31, 2010	December 31, 2009
		-----Rupees-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,980,537	20,700,535
Adjustments for:			
Depreciation		4,023,852	1,295,592
Gain on disposal of property, plant and equipment		(217,529)	-
Security deposit written back as consideration for disposal of property, plant and equipment		124,000	-
Advance from customer written back as consideration for disposal of property, plant and equipment		136,000	-
Waiver of mark-up		(2,690,783)	(13,620,410)
Unrealized gain on revaluation of other financial assets		(26,100)	(10,266)
Profit on savings account		-	(1,746)
Finance cost		5,091,174	6,148,493
		<hr/>	<hr/>
Operating cash flows before working capital changes		13,421,151	14,512,198
Working capital changes	15	(5,025,655)	274,684
		<hr/>	<hr/>
Net cash from operations		8,395,496	14,786,882
Finance cost paid		(3,499,238)	(3,144,540)
Income tax refunded / (paid) - net		2,123,200	(2,261,537)
		<hr/>	<hr/>
Net cash from operating activities		7,019,458	9,380,805

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Six months	
	December 31, 2010	December 31, 2009
Note	-----Rupees-----	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(753,983)	(841,638)
Security deposit	-	(271,975)
Profit received on savings account	-	2,761
Net cash used in investing activities	<u>(753,983)</u>	<u>(1,110,852)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term deposits - liabilities	(1,909,895)	3,849,788
Long-term finance obtained	406,950	-
Repayment of long-term finance	(9,221,794)	(8,575,580)
Repayment of lease liabilities	-	(1,425,897)
Increase in short-term borrowings	5,805,401	(2,271,626)
Dividend paid	(596,666)	-
Net cash used in financing activities	<u>(5,516,004)</u>	<u>(8,423,315)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	749,471	(153,362)
Cash and cash equivalents at July 1	191,958	658,421
Cash and cash equivalents at December 31	<u>941,429</u>	<u>505,059</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

M. HANIF Y. BAWANY
Managing Director / Chief Executive Officer

SIRAJ A. KADIR
Director



BAWANYAIR
PRODUCTS LIMITED



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Note	Issued subscribed and paid up capital	(Accumulated losses) / Un-appropriated profit	Total
		-----	Rupees -----	-----
Balance at July 1, 2009 - as restated *		68,204,640	(46,040,856)	22,163,784
Total comprehensive income for the six months ended December 31, 2009		-	40,728,976	40,728,976
Balance at December 31, 2009		68,204,640	(5,311,880)	62,892,760
Total comprehensive income for the six months ended June 30, 2010 - as previously reported		-	12,542,847	12,542,847
Effect of prior year error	3	-	(2,066,774)	(2,066,774)
Total comprehensive income for the six months ended June 30, 2010 - as restated		-	10,476,073	10,476,073
Balance as at June 30, 2010 - as restated		68,204,640	5,164,193	73,368,833
Total comprehensive income for the six months ended December 31, 2010		-	3,635,156	3,635,156
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax		-	293,335	293,335
Transaction with owners - Final dividend for the year ended June 30, 2010		-	(3,410,232)	(3,410,232)
Balance at December 31, 2010		<u>68,204,640</u>	<u>5,682,452</u>	<u>73,887,092</u>

*Effect of rectification of prior year error related to transfer of imported second hand plant from 'capital work in progress' to 'operating assets' and related depreciation; as disclosed in note 2.8 to the financial statements for the year ended June 30, 2010.

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

M. HANIF Y. BAWANY
Managing Director / Chief Executive Officer

SIRAJ A. KADIR
Director

**SELECTED EXPLANATORY NOTES TO THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

1. THE COMPANY AND ITS OPERATIONS

Bawany Air Products Limited (the Company) is a public limited Company incorporated in Pakistan on August 16, 1978. The Company is currently listed on the Karachi Stock Exchange. The principal activities of the Company are production and trading of oxygen gas, dissolved acetylene and nitrogen gas. The manufacturing facilities are located at Hub Industrial Estate, Tehsil Hub in the province of Balochistan. The registered office of the Company is situated at Khasra No. 52/53 R.C.D. Highway, Mouza Pathra, Tehsil Hub, Lasbella District, Balochistan.

2. BASIS OF PREPARATION

These interim financial statements have been prepared in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange. These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2010.

3. PRIOR YEAR ERROR

During the current period, the Company has rectified prior period error relating to recording of electricity charges for the year ended June 30, 2010 due to which comparative figures in these financial statements have been restated in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The error pertains to fuel adjustment surcharge of prior year, which is billed by Karachi Electric Supply Corporation in current period in accordance with SRO 387 (I)/2010 dated June 4, 2010 issued by National Electric Power and Regulatory Authority. The management was not aware of the said SRO when the financial statements of June 30, 2010 were issued, therefore, the impact of error has been rectified retrospectively and the comparative figures have been restated as follows:

	(As originally reported) June 30, 2011	Effect of prior year error	(As restated) June 30, 2010
Restatement in Balance Sheet			
Trade and other payable	27,777,270	3,179,653	30,956,923
Un-appropriated profit	7,230,967	(2,066,774)	5,164,193
Deferred tax asset	8,906,907	1,112,879	10,019,786



BAWANYAIR
PRODUCTS LIMITED



Since the error only pertains to last six months for the year ended June 30, 2010 and does not extend to earlier periods, the comparative figures on the balance sheet as at June 30, 2009 have not been presented.

Restatement in Profit and Loss account

The restatement only had an effect on profit pertaining to last six months for the year ended June 30, 2010 therefore, the comparative figures in the profit and loss account for the six months period ended December 31, 2009 have not been restated.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates, judgments and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2010.

	Note	Unaudited December 31, 2010	Audited June 30, 2010
		-----Rupees -----	
5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net			
Surplus on freehold land		9,254,210	9,254,210
Surplus on building on freehold land	5.1	11,344,413	11,637,748
		<u>20,598,623</u>	<u>20,891,958</u>

5.1 Movement of surplus on building on freehold land during the six months period:

Revaluation surplus as at July 01	17,904,227
Transferred to unappropriated profit in respect of incremental depreciation charged during the period, net of deferred tax	(293,335)
Related deferred tax liability of incremental depreciation charged during the period	(157,949)
Revaluation surplus as at December 31	17,452,943
Less: Related deferred tax liability on:	
- revaluation as at July 1	(6,266,479)
- incremental depreciation charged during the period, transferred to profit and loss account	157,949
	<u>(6,108,530)</u>
	<u>11,344,413</u>



BAWANYAIR
PRODUCTS LIMITED



Note	Unaudited December 31, 2010	Audited June 30, 2010
-----Rupees-----		
6. LONG-TERM FINANCING		
Secured		
From banks and financial institutions 6.1 & 6.2	59,020,003	67,241,797
Unsecured - interest free		
From director	-	1,093,050
From associated undertaking	-	7,500,000
	-	8,593,050
Less: current portion		
- overdue instalments	(14,415,995)	(15,261,665)
- instalments due in next 12 months	(13,516,330)	(16,572,173)
	(27,932,325)	(31,833,838)
	<u>31,087,678</u>	<u>44,001,009</u>

- 6.1 During the period, on December 22, 2010 a scheme of restructuring was entered into between the Company and Pak Oman Investment Company Limited whereby the loan of Rs. 5.492 million has been rescheduled and the related markup of Rs. 2.691 million has been waived. The rescheduled loan is repayable in 12 equal monthly instalments starting from December 27, 2010 and carries mark-up at the rate of 14% per annum. The loan is secured by way of first ranking pari passu charge over land and all construction thereon. In addition, personal guarantees and indemnities executed by the Chief Executive in favour of Pak Oman Investment Company Limited shall remain valid as securities till payment of rescheduled amount.
- 6.2 The terms of long-term financing with other syndicate members and banks have remain unchanged.
- 6.3 This represents overdue instalments pertaining to two lenders owing to default in repayment. As at period end, law suit by one of the lenders is outstanding for recovery of loan amounting to Rs. 5.492 million.

Note	Long-term loans	Short-term borrowings	Total
-----Unaudited-----			
-----Rupees-----			
7. INTEREST / MARK-UP ACCRUED			
Balance as at July 1, 2010	7,702,966	18,469	7,721,435
Mark-up accrued during the period	4,156,499	664,210	4,820,709
Mark-up paid during the period	(3,090,856)	(408,382)	(3,499,238)
Less: waiver of mark-up	(2,690,783)	-	(2,690,783)
Balance as at December 31, 2010	<u>6,077,826</u>	<u>274,297</u>	<u>6,352,123</u>



BAWANYAIR
PRODUCTS LIMITED



7.1 Pursuant to the restructuring scheme as disclosed in note 6.1, accrued markup amounting to Rs. 2.691 million has been waived.

	Note	Unaudited December 31, 2010	Audited June 30, 2010
-----Rupees -----			
8. SHORT-TERM BORROWINGS			
Running finance - secured	8.1	10,489,588	9,684,187
From associated undertakings - un-secured			
- Bawany Management (Private) Limited		500,000	500,000
- R.A Management (Private) Limited		6,500,000	-
		7,000,000	500,000
From related parties - unsecured			
- Director - interest free		1,500,000	-
- Other related party	8.2	5,000,000	-
		6,500,000	-
		23,989,588	10,184,187

8.1 This represents short term running finance facility availed from a commercial bank. The limit of running finance facility is Rs. 10 million (June 2010: Rs. 10 million) and is secured against pari passu charge over fixed assets of the Company and hypothecation over stocks. The mark-up rate is three months KIBOR + 2% per annum (June 2010: three months KIBOR + 2%).

8.2 During the period, the Company obtained a short-term loan from a related party. The loan carries mark-up at the rate of 12% per annum.

9. PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment	205,461,376	208,773,716
---	-------------	-------------

9.1 Additions to property, plant and equipment during the period were Rs. 753,983 (June 30, 2010: Rs. 179,000) and disposals there from at net book value were Rs. 42,471 (June 30, 2010: Rs. 105,284).



BAWANYAIR
PRODUCTS LIMITED



	Unaudited December 31, 2010	Audited June 30, 2010 (Restated)		
	-----Rupees-----			
10. DEFERRED TAX ASSET				
Deferred debits arising due to:				
- provision for bad debts	755,459	755,459		
- long outstanding liabilities written back for tax purposes	1,273,352	1,273,352		
- carried forward tax losses	13,270,141	16,611,035		
	<u>15,298,952</u>	<u>18,639,846</u>		
Deferred credits arising due to:				
- accelerated depreciation on property, plant and equipment	(1,614,605)	(2,353,581)		
- surplus on revaluation of property, plant and equipment	(6,108,530)	(6,266,479)		
	<u>(7,723,135)</u>	<u>(8,620,060)</u>		
	<u>7,575,817</u>	<u>10,019,786</u>		
	-----Unaudited-----			
	Six months	Three months		
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	-----Rupees-----			
11. COST OF SALE				
Raw material consumed	32,598,142	32,174,136	16,972,933	13,946,046
Salaries, wages and benefits	6,600,853	6,678,621	3,531,549	2,823,811
Power, fuel and water	21,253,063	25,694,210	10,667,523	10,433,190
Stores and spares	1,846,114	1,982,452	1,000,403	1,223,671
Repairs, maintenance and handling	3,332,612	4,664,978	1,173,799	2,193,465
Insurance	814,464	459,462	407,232	371,315
Vehicles running and maintenance	228,219	240,973	81,421	68,304
Depreciation	1,147,036	1,104,563	(617,353)	553,755
Others	926,845	1,243,916	479,946	570,841
Maintenance and other charges recovered	(499,091)	(1,233,056)	(171,559)	(460,069)
	<u>68,248,257</u>	<u>73,010,255</u>	<u>33,525,894</u>	<u>31,724,329</u>
Finished goods				
Opening stock	2,478,928	1,015,229	4,904,173	3,529,787
Closing stock	(1,374,941)	(2,140,929)	(1,374,941)	(2,140,929)
	<u>1,103,987</u>	<u>(1,125,700)</u>	<u>3,529,232</u>	<u>1,388,858</u>
	<u>69,352,244</u>	<u>71,884,555</u>	<u>37,055,126</u>	<u>33,113,187</u>



BAWANYAIR
PRODUCTS LIMITED



	-----Unaudited-----			
	Six months		Three months	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	-----Rupees-----			
12. FINANCE (COST) / INCOME				
Interest / markup on:				
Long-term financing	4,156,499	4,312,474	2,506,238	2,226,530
Liabilities against assets subject to finance lease	-	842,659	-	323,139
Short term borrowings	664,210	605,788	467,985	147,974
Provident fund	270,465	339,416	270,465	339,416
Bank charges	17,295	48,156	7,094	35,397
Waiver of mark-up	(2,690,783)	(13,620,410)	(2,690,783)	(13,620,410)
	<u>2,417,686</u>	<u>(7,471,917)</u>	<u>560,999</u>	<u>(10,547,954)</u>
13. OTHER OPERATING EXPENSES				
Worker's Welfare Fund	150,119	450,694	150,119	450,694
Worker's Profit Participation Fund	375,298	1,113,223	375,298	1,113,223
Depreciation on idle plant and related assets	2,533,651	-	2,533,651	-
	<u>3,059,068</u>	<u>1,563,917</u>	<u>3,059,068</u>	<u>1,563,917</u>
14. TAXATION				
Charge for the current taxation represents turnover tax @ 1% (2009: 0.5%) under section 113 of the Income Tax Ordinance.				
	-----Unaudited-----			
	Six months			
	December 31, 2010	December 31, 2009		
	-----Rupees-----			
15. WORKING CAPITAL CHANGES				
(Increase) / decrease in current assets				
Stores and spares		52,155		79,520
Stock-in-trade		1,555,809		(1,074,144)
Trade debts		(3,036,180)		(2,098,870)
Loans and advances		(351,974)		22,836
Trade deposits		(869,050)		(491,507)
(Decrease) / increase in current liabilities				
Trade and other payables		(2,376,415)		3,836,849
		<u>(5,025,655)</u>		<u>274,684</u>



BAWANYAIR
PRODUCTS LIMITED



16. TRANSACTIONS WITH RELATED PARTIES

The associated undertaking and related parties comprise associated companies, directors and key management personnel. The transactions with related parties are as follows:

	Six months	
	-----Unaudited-----	
	December 31,	December 31,
	2010	2009
	-----Rupees -----	
Associated undertakings		
Organization charges paid	53,346	43,560
Short-term loan repaid to associated undertaking	-	1,000,000
Long-term loan repaid to associated undertaking	1,000,000	-
Transactions with key management personnel		
Salaries, benefits and other allowances	2,150,452	1,812,150
Other related parties		
Contribution made by the Company to retirement benefit plan	39,871	39,871
Short term loan obtained from retirement benefit plan	5,000,000	-
Loan obtained from Director	406,950	-

17. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

Subsequent to period end, on January 20, 2011, the issued, subscribed and paid up capital of the Company has increased by Rs. 6,820,464 (682,046 shares of Rs. 10 each) owing to right issue approved by the Board of Directors of the Company.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 18, 2011 by the Board of Directors of the Company.

M. HANIF Y. BAWANY
Managing Director / Chief Executive Officer

SIRAJ A. KADIR
Director



BOOK POST
PRINTED MATTER



If undelivered, please return to:
BAWANYAIR
PRODUCTS LIMITED
16-C, 2nd Floor, Nadir House,
I. I. Chundrigar Road,
Karachi.