



**QUARTERLY ACCOUNTS
FOR THE 3RD QUARTER
ENDED MARCH 31, 2011
(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 Jogezi
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

Faysal Bank 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



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 Nine months ended March 31st 2011

During the 3rd quarter review period of July 10' - March 11', the company sold around 3.16 million cubic meters of gas products translating into sales revenue of approximately Rs. 142.89 Million as compared to the sales for the last quarter July 09' - March 10' which stood at Rs. 146.78 Million for 4.01 million cubic meters of gas products.

Mashallah the third quarter has been much better as compared to the first and second quarters and we will Inshallah try to achieve our target on sales Rs. 200 million as we had achieved in the last year. Maintaining our sales in such conditions as prevailing in the country as compared to last year has been a difficult task. To mention but a few problems facing us is the power shortage resulting in load shedding and to put salt on our wounds un warranted increase in power tariff to pay for electricity theft by unscrupulous consumers with the knowledge of power companies. Other being the devastating flood, increase in transportation charges due to the petroleum price increase and last but not the least the law and order situation which is destabilizing the Government and the country.

In the above condition business is effected negatively in any kind of industry while we have for the past two years turned around our business and have been maintaining our EPS in spite of all the adverse conditions and hope in future to give good dividends to our share holders Inshallah.

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: April 21, 2011

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



BAWANYAIR
PRODUCTS LIMITED



**PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2011**

	Note	Quarter ended		Nine months ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
		----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----
Sales		52,381,232	51,790,149	142,511,541	146,405,026
Cost of goods sold	4	(35,829,832)	(34,959,414)	(105,182,076)	(106,843,970)
Gross profit		16,551,400	16,830,735	37,329,465	39,561,056
Other Income		-	-	247,954	10,401
		16,551,400	16,830,735	37,577,419	39,571,457
Distribution cost		(1,425,247)	(1,280,205)	(3,860,849)	(3,895,157)
Administrative expenses		(3,945,260)	(2,427,926)	(12,616,457)	(7,791,435)
Finance cost		(2,463,011)	(2,599,768)	(4,880,697)	4,873,895
WWF 2%		(174,192)	(211,219)	(324,134)	(656,508)
WPPF 5%		(435,479)	(528,048)	(810,335)	(1,641,270)
		8,108,211	9,783,569	15,084,947	30,460,982
(Loss) / gain on trading of gases		(8,296)	38,118	(12,716)	66,644
Profit before taxation		8,099,915	9,821,687	15,072,231	30,527,626
Provision for taxation - deferred		-	-	(2,443,969)	20,501,515
Provision for taxation - current		(523,812)	(258,951)	(1,425,115)	(732,025)
Profit after taxation		7,576,103	9,562,736	11,203,147	50,297,116
Earning per share	5	1.01	1.40	1.49	7.37

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 (UNAUDITED)

	Note	March 31, 2011 Rupees	June 30, 2010 Rupees
SHARE CAPITAL AND RESERVES			
Authorized 15,000,000 ordinary shares of Rs.10/- each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid up		<u>75,025,104</u>	<u>68,204,640</u>
Accumulated profit		<u>13,250,443</u>	<u>5,164,193</u>
		88,275,547	73,368,833
Surplus on revaluation of property, plant and equipment - net		20,598,623	20,891,958
NON CURRENT LIABILITIES			
Long term financing		28,864,189	44,001,009
Long term deposits		30,728,312	30,643,636
CURRENT LIABILITIES			
Trade and other payables		<u>24,661,490</u>	<u>30,956,923</u>
Interest/Mark up accrued on loans		<u>6,803,860</u>	<u>7,721,435</u>
Short term borrowing		<u>12,659,806</u>	<u>10,184,187</u>
Current portion of:			
Long term financing		<u>26,721,121</u>	<u>31,833,838</u>
		70,846,277	80,696,383
CONTINGENCIES & COMMITMENTS 2			
		<u>239,312,948</u>	<u>249,601,819</u>

The annexed notes form an integral part of these financial statements



BAWANYAIR
PRODUCTS LIMITED



AS AT MARCH 31, 2011

	Note	March 31, 2011 Rupees	June 30, 2010 Rupees
FIXED ASSETS			
Property, plant and equipment		203,718,683	208,773,716
LONG TERM DEPOSITS			
		3,215,467	3,701,452
DEFERRED TAX ASSETS			
		7,575,817	10,019,786
CURRENT ASSETS			
Stores and spares		1,508,691	1,448,761
Stock in trade		4,544,055	3,258,301
Trade debtors - considered goods		9,532,068	12,996,320
Loans and advances		1,544,656	716,994
Advance tax		2,371,693	4,151,282
Trade deposits		481,366	576,910
Other financial assets		86,725	60,625
Income tax Refundable		4,150,701	3,705,714
Cash and bank balances		583,026	191,958
		24,802,981	27,106,865
		239,312,948	249,601,819

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

SIRAJ A. KADIR
Director



BAWANYAIR
PRODUCTS LIMITED



**CASH FLOW STATEMENT (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2011**

	Cumulative upto 9 months ended March 31, 2011 Rupees	Cumulative upto 9 months ended March 31, 2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,072,231	30,527,626
Adjustments:		
Depreciation	5,983,048	1,971,077
Dividend income	(4,325)	(135)
Waiver of mark up	(2,690,783)	(13,620,410)
Finance cost	7,571,480	8,746,515
Profit on saving account	-	(1,751)
Capital loss / (gain) on sales of shares	(26,100)	(10,266)
Capital loss / (gain) on sales of assets	(217,529)	-
Operating cash flows before working capital changes	<u>25,688,022</u>	<u>27,612,656</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(59,930)	(180,643)
Stock in trade	(1,285,754)	(4,283,024)
Trade debtors - considered goods	3,464,252	(1,561,085)
Loans, advances, deposits, prepayments, other receivables and income tax refundable	(732,118)	(922,030)
Other financial assets	26,100	-
Increase / (decrease) in current liabilities		
Trade and other payables	(7,110,178)	614,794
	<u>(5,697,628)</u>	<u>(6,331,988)</u>
	<u>19,990,394</u>	<u>21,280,668</u>
Finance cost paid	(5,989,377)	(3,792,701)
Taxes refund / (paid)	72,847	(1,813,295)
Net cash (used in) / from operating activities	<u>14,073,864</u>	<u>15,674,672</u>



BAWANYAIR
PRODUCTS LIMITED



**CASH FLOW STATEMENT (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2011**

	Cumulative upto 9 months ended March 31, 2011 Rupees	Cumulative upto 9 months ended March 31, 2010 Rupees
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(970,483)	(4,226,264)
Dividend income	4,325	135
Profit on saving account	-	1,751
Security deposits	485,985	(218,375)
Proceed from sales of shares	-	10,266
Proceed from sales of assets	260,000	-
Net cash used in investing activities	<u>(220,173)</u>	<u>(4,432,487)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Right shares	6,820,464	-
Repayment of long term financing	(11,656,487)	(10,428,003)
Short term borrowings acquired	5,406,950	-
Repayment of lease liability	-	(2,564,796)
Long term deposits	84,676	5,083,788
Short term borrowing paid	(11,522,646)	(3,588,550)
Dividend paid	(2,595,580)	-
Net cash generated from financing activities	<u>(13,462,623)</u>	<u>(11,497,561)</u>
Net (decrease) / increase in cash and cash equivalents	391,068	(255,376)
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>583,026</u>	<u>403,045</u>
Cash and cash equivalents		
Cash and bank balances	<u>583,026</u>	<u>403,045</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



**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 3RD QUARTER ENDED MARCH 31, 2011**

	Issued subscribed and paid up capital Rupees	Accumulated (loss) / profit Rupees	Total Rupees
Balance at July 01, 2009 - as restated	68,204,640	(46,040,856)	22,163,784
Profit 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
Profit for the six months ended June 30, 2010 - as restated	-	10,476,073	10,476,073
Balance at June 30, 2010 - as restated	68,204,640	5,164,193	73,368,833
Transaction with owners - 5% Final dividend for the year ended June 30, 2010	-	(3,410,232)	(3,410,232)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax December 31, 2010	-	293,335	293,335
10% Issue of right shares for the year ended June 30, 2010	6,820,464	-	6,820,464
Profit for the nine months ended March 31, 2011	-	11,203,147	11,203,147
Balance at March 31, 2011	<u>75,025,104</u>	<u>13,250,443</u>	<u>88,275,547</u>

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

SIRAJ A. KADIR
Director



BAWANYAIR
PRODUCTS LIMITED



NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) FOR THE 3RD QUARTER ENDED MARCH 31, 2011

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.

2. CONTINGENCIES & COMMITMENTS.

There is no change in the status of contingencies and commitments as disclosed in the last published annual audited financial statements for the year ended June 30, 2010.

3. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	March 31, 2011		June 30, 2010	
	Acquisitions/ Additions Rupees	Disposal (W.D.V) Rupees	Acquisitions/ Additions Rupees	Disposal (W.D.V) Rupees
Operating assets				
Owned				
Factory building	171,830	-	125,300	-
Plant and machinery	748,353	-	3,182,305	-
Furniture & Fixture	-	-	109,950	-
Office equipment	50,300	-	38,740	-
Vehicles	-	-	2,701,846	65,968
Empty cylinders	-	42,461	-	-



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PRODUCTS LIMITED



	Quarter ended March 31, 2011 Rupees	Quarter ended March 31, 2010 Rupees	Nine months ended March 31, 2011 Rupees	Nine months ended March 31, 2010 Rupees
4. COST OF GOODS SOLD				
Raw material consumed	15,254,124	15,381,665	47,852,266	47,541,101
Power, fuel and water	15,206,196	13,336,905	36,459,259	39,031,115
Salaries, wages and benefits	2,969,975	3,516,672	9,570,828	10,195,293
Stores and spares	1,331,235	943,690	3,177,349	2,926,142
Repairs, maintenance and handling	2,188,182	2,218,393	5,520,794	6,883,371
Insurance	410,359	381,923	1,224,823	841,385
Vehicle running and maintenance	137,881	124,469	366,100	365,442
Depreciation	563,941	528,428	1,710,977	1,632,991
Others	532,001	482,963	1,458,846	1,726,879
	38,593,894	36,915,108	107,341,242	111,143,719
Maintenance and other charges recovered	(17,123)	(414,150)	(516,214)	(1,632,506)
	38,576,771	36,500,958	106,825,028	109,511,213
Finished goods				
Opening	1,374,941	2,140,929	2,478,928	1,015,230
Closing	(4,121,880)	(3,682,473)	(4,121,880)	(3,682,473)
	(2,746,939)	(1,541,544)	(1,642,952)	(2,667,243)
	35,829,832	34,959,414	105,182,076	106,843,970
			March 31, 2011 Rupees	March 31, 2010 Rupees
5. EARNING PER SHARES - Basic and diluted				
Profit/ (loss) after tax		11,203,147		50,297,116
Weighted average no. of Ordinary shares outstanding during the period		7,502,510		6,820,464
EPS		1.49		7.37



BAWANYAIR
PRODUCTS LIMITED



6. AGGREGATE TRANSACTION WITH ASSOCIATED UNDERTAKING

The associated undertakings and related parties comprise associated companies, directors and key management personnel. Transaction with associated undertakings and related parties, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	March 31, 2011 Rupees	March 31, 2010 Rupees
Organization charges paid	<u>80,019</u>	<u>65,340</u>

7. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for the issue on April 21, 2011 by the Board of Directors of the Company.

8. FIGURES

Figures have been rounded off nearest to Rupees. 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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