



BAWANYAIR
PRODUCTS LIMITED

QUARTERLY REPORT
MARCH 31, 2018
(UNAUDITED)

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Vali Mohammad M. Yahya Mr. M. Hanif Y. Bawany Mrs. Momiza Hanif Bawany Mr. Mikhail Bawany Mr. Wazir Ahmed Jomezai Mr. Zakaria A. Ghaffar Mr. Siraj A. Kadir	Chairman - Non Executive Director Chief Executive Officer Executive Director Non Executive Director Non Executive Director Non Executive Director Independent Director
AUDIT & HR COMMITTEE	Mr. Siraj A. Kadir Mr. Vali Mohammad M. Yahya Mr. Zakaria A. Ghaffar Mr. Muhammad Munir	Chairman Member Member Secretary to Audit Committee
HEAD OF INTERNAL AUDIT	Mr. Muhammad Munir	
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	Mr. Muhammad Hashim	
AUDITORS	Parker Randall - A.J.S. Chartered Accountants	
BANKERS	Faysal Bank Limited United Bank Limited MCB Bank Limited National Bank of Pakistan	
SHARE REGISTRAR	C&K Management Associates (Pvt) Ltd. 404, Trade Tower, Abdullah Haroon Road, Karachi Te: 35687839-35685930	
REGISTERED OFFICE	Khasra No. 52/53 R.C.D. Highway, Mouza Pathara, Tehsil Hub, Lasbella District, Balochistan Tel: 0853 - 363289 Fax: 0853 - 363290	
CITY OFFICE	16-C, 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi Tel: 021-32400440 Fax: 021-32411986	

QUARTERLY REVIEW

ASSALAM-O-ALAIKUM


On behalf of the Board of Directors, I am pleased to present before you the Condensed Interim Financial Statement (unaudited) for the nine months period ended March 31, 2018

During the period under review the net sales of the company is 81.466 million as against sales of 58.307 million for the corresponding period last year. The gross profit has also improved to 4.965 million showing an improvement of 4.037 million as compared to the same period of the last year. The company's loss (EPS) has reduced from Rs. 2.05 per share to Rs.1.44 per share.

The company is still passing through very rough times as the main production unit of the company still remains shut. We are making all out efforts for revival of our production. The trading of shares of the company was also suspended by the Pakistan Stock Exchange due to failure of the company to pay the PSX dues in full including penalty amount. The company is still trying to get the trading in shares restored as it has cleared the PSX Annual Listing Fees with surcharge and has requested for waiver of penalties. The Financial Advisor of the company who was working hand in hand with the management passed away of a sudden tragic death in April, we therefore request for prayers for Mr. M. Sajid's (Core Advisors) departed soul.

On behalf of the Board, I sincerely thank all our Well Wishers, Shareholders, Customers, Suppliers, Regulators and all our employees for continuing to support us during our struggle for revival.

On behalf of the Board


M. Hanif Y. Bawany
Chief Executive Officer

Karachi
Dated: April 25, 2018

سہ ماہی جائزہ

السلام علیکم


بورڈ آف ڈائریکٹرز کی جانب سے میں اختصاری عبوری مالیاتی گھنٹہ گزشتہ 31 مارچ 2018 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

جائزہ مدت کے دوران کمپنی کی فروخت بڑھ کر 81.466 ملین روپے ہو گئی جو کہ گزشتہ سال اسی مدت میں 58.307 ملین تھی۔ خام منافع بڑھ کر 4.965 ملین ہو گیا جو کہ گزشتہ سال اسی مدت کے مقابلے میں 4.037 ملین روپے کا اضافہ ظاہر کرتا ہے۔ کمپنی کافی حصص خسارہ گزشتہ سال کے 2.05 روپے فی حصص کے مقابلے میں کم ہو کر 1.44 روپے فی حصص رہ گیا۔

کمپنی اس وقت شدید مشکل حالات سے گزر رہی ہے کیونکہ کمپنی کا پیداواری یونٹ اب تک بند پڑا ہے۔ ہم پیداواری بحالی کے لئے تمام کوششیں بروئے کار لا رہے ہیں۔ پاکستان اسٹاک ایکسچینج نے کمپنی کے حصص میں خرید و فروخت معطل کر دی ہے کیونکہ کمپنی پی ایس ایکس کے مکمل واجبات کے ساتھ جرمانہ کی رقم ادا کرنے سے قاصر رہی ہے۔ کمپنی مسلسل کوشش کر رہی ہے کہ اس کے حصص کی خرید و فروخت جلد بحال ہو جائے کیونکہ اس نے پی ایس ایکس کی سالانہ فیس کے ساتھ سرچارج بھی ادا کر دیا ہے اور جرمانوں کے خاتمے کے لئے درخواست کر دی ہے۔ کمپنی کے فنانشل ایڈوائزر جو انتظامیہ کے ساتھ مل کر مسلسل کام کر رہے تھے، اپریل میں اچانک سوگوار موت سے ہمکنار ہو کر اس دنیا سے چل بسے، لہذا ہم مرحوم جناب ایم ساجد (بنیادی مشاورت کار) کی روح کے لئے دعاؤں کی درخواست کرتے ہیں۔

بورڈ کی جانب سے، ہماری بحالی کی جدوجہد میں اپنے تمام خیر خواہوں، حصص یافتگان، گاہکوں، فراہم کنندگان، نگران اداروں اور اپنے تمام ملازمین کے مسلسل تعاون پر ان کا شکریہ ادا کرتا ہوں۔

منجانب بورڈ


ایم حنیف باوانی

چیف ایگزیکٹو آفیسر

کراچی

مورخہ: 25 اپریل 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

	Unaudited March 31, 2018	Audited June 30, 2017		Unaudited March 31, 2018	Audited June 30, 2017
	Note	Rupees		Note	Rupees
EQUITY AND LIABILITIES			ASSETS		
Share Capital and Reserves			Non Current Assets		
Authorised capital 15,000,000 Ordinary shares of Rs.10/- each		150,000,000	Property, plant and equipment	4	179,201,029
		150,000,000			183,889,558
Issued, subscribed and paid-up capital		75,025,104			
Loan from directors		4,225,000			
Accumulated loss		(47,066,607)	Long-term deposits	3,221,357	3,221,357
		32,183,497			
Surplus on revaluation of property, plant and equipment - net		36,097,731			
		36,702,131	Current Assets		
Non Current Liabilities			Stores and spares	1,017,862	1,026,292
Long-term financing		-	Stock-in-trade	543,016	705,291
Long-term deposits		53,203,220	Trade debts	5,262,913	4,237,910
		52,238,007	Loans and advances	3,761,810	2,080,474
Current Liabilities			Other receivables	1,642,708	1,555,084
Trade and other payables		36,655,984	Other financial assets	48,934	58,288
Interest / mark-up accrued		775,224	Taxation - net	5,453,892	5,167,657
Short-term borrowings		38,417,149	Cash and bank balances	350,136	603,378
Current portion of long-term financing		3,170,852		18,081,271	15,434,374
		79,019,209			
Contingencies and Commitments	8	71,258,443			
		71,258,443			
Total Equity and Liabilities		200,503,657	Total Assets		200,503,657
		202,545,289			202,545,289

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

M. HANIF Y. BAWANY
Chief Executive Officer

MOHAMMD HASHIM
Chief Financial Officer

ZAKARIA A. GHAFAR
Director

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

Note	Un-Audited Nine months ended		Un-Audited Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rupees		Rupees	
Sales - net	81,466,397	58,306,618	32,155,320	23,194,198
Cost of sales	(76,500,638)	(57,378,339)	(29,832,825)	(22,748,963)
Gross profit	4,965,759	928,279	2,322,495	445,235
Other operating income	697,068	978,028	687,836	170
Unrealized gain on revaluation of other financial assets	(9,354)	18,417	-	-
	5,653,473	1,924,724	3,010,331	445,405
Distribution cost	(2,792,053)	(3,222,472)	(885,809)	(1,101,953)
Administrative expenses	(8,930,548)	(8,828,971)	(2,641,526)	(2,821,061)
Other operating expenses	(3,059,639)	(3,173,642)	(1,009,632)	(1,038,879)
Finance cost - net	(620,514)	(1,487,952)	(211,275)	(470,945)
Loss before taxation	(9,749,281)	(14,788,313)	(1,737,911)	(4,987,433)
Provision for taxation - current	(1,018,330)	(583,066)	(401,942)	(231,942)
Loss for the period	(10,767,611)	(15,371,379)	(2,139,853)	(5,219,375)
Other comprehensive income	-	-	-	-
Total comprehensive income	(10,767,611)	(15,371,379)	(2,139,853)	(5,219,375)
Earnings per share - basic and diluted	(1.44)	(2.05)	(0.29)	(0.70)

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

M. HANIF Y. BAWANY
Chief Executive Officer

MOHAMMD HASHIM
Chief Financial Officer

ZAKARIA A. GHAFAR
Director

CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
Note	Rupees	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(9,749,281)	(14,788,313)
Adjustments for:		
Depreciation	4,668,450	4,412,836
Loss / (gain) on revaluation of other financial assets	9,354	(18,416)
Gain on disposal of assets	(687,049)	(934,667)
Liabilities adjusted with assets disposed off	707,128	-
Finance cost	620,514	1,487,952
Operating cash flows before working capital changes	(4,430,884)	(9,840,608)
Working capital changes	7 3,980,632	9,244,715
Net cash used in from operations	(450,252)	(595,893)
Finance cost paid	(604,968)	(1,114,524)
Income tax paid	(1,304,565)	(1,459,616)
Net cash used in operating activities	(2,359,785)	(3,170,033)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of assets	-	1,051,011
	-	1,051,011
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term deposits - liabilities - net	965,213	2,886,795
Repayment of long-term finance	-	(1,354,392)
Short-term borrowings - net	1,141,330	65,000
Net cash generated from financing activities	2,106,543	1,597,403
Net decrease in cash and cash equivalents (A+B+C)	(253,242)	(521,619)
Cash and cash equivalents at beginning of the period	603,378	600,259
Cash and cash equivalents at end of the period	350,136	78,640

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

M. HANIF Y. BAWANY
 Chief Executive Officer

MOHAMMD HASHIM
 Chief Financial Officer

ZAKARIA A. GHAFAR
 Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Issued, subscribed and paid-up capital	Loans from directors	Un-appropriated profit	Total
	Rupees			
Balance as at July 1, 2016	75,025,104	4,225,000	(21,247,216)	58,002,888
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax			274,856	274,856
Total comprehensive income for the nine months period ended March 31, 2017			(15,371,379)	(15,371,379)
Balance as at March 31, 2017	75,025,104	4,225,000	(36,343,739)	42,906,365
Balance as at July 1, 2017	75,025,104	4,225,000	(36,903,396)	42,346,708
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-		604,400	604,400
Total comprehensive income for the nine months period ended March 31, 2018	-		(10,767,611)	(10,767,611)
Balance as at March 31, 2018	75,025,104	4,225,000	(47,066,607)	32,183,497

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

M. HANIF Y. BAWANY
 Chief Executive Officer

MOHAMMD HASHIM
 Chief Financial Officer

ZAKARIA A. GHAFAR
 Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

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 Pakistan Stock Exchange Limited. 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 Pathara, Tehsil Hub, Lasbella District, Balochistan.

2 BASIS OF PREPARATION

This interim financial information has been prepared in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Pakistan Stock Exchange. This condensed interim financial information does not include all 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, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates, judgments and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2017.

Un-audited	Audited
March 31,	June 30,
2018	2017

----- Rupees -----

4 PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment

179,201,029	183,889,558
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- 4.1 Additions to property, plant and equipment during the period were Rs. Nil (June 30, 2017: Rs.Nil) and disposals were Rs. 334,276 (June 30, 2017: Rs.1,419,120).

	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2018	2017	2018	2017
5 COST OF SALES				
Raw material consumed	68,521,322	48,682,330	26,983,941	19,593,209
Salaries, wages and benefits	2,953,879	3,186,302	983,137	1,129,310
Power, fuel and water	20,970	541,617	5,790	156,384
Stores and spares	247,680	170,292	233,029	58,426
Repairs, maintenance and handling	1,871,625	1,495,790	753,769	534,276
Insurance	(9,270)	709,010	(85,008)	235,361
Vehicles running and maintenance	212,002	180,215	64,800	64,442
Depreciation	1,442,138	1,081,224	470,591	352,686
Others	1,332,609	1,280,166	409,085	457,430
Maintenance and other charges recovered	(254,592)	(305,875)	(73,237)	(91,499)
	76,338,363	57,021,071	29,745,897	22,490,025
Finished goods				
Opening stock	362,045	545,312	286,698	446,982
Closing stock	(199,770)	(188,044)	(199,770)	(188,044)
	162,275	357,268	86,928	258,938
	76,500,638	57,378,339	29,832,825	22,748,963

6 TAXATION

Charge for the current taxation represents higher of taxable income charged to tax at the rate of 30% or section 113 of the Income Tax Ordinance, 2001.

7 WORKING CAPITAL CHANGES

	Unaudited	
	March 31, 2018	March 31, 2017
	----- Rupees -----	
(Increase) / decrease in current assets		
Stores and spares	8,430	15,737
Stock-in-trade	162,275	365,122
Trade debts	(1,025,003)	317,877
Loans and advances	(1,681,336)	(1,240,732)
Trade deposits and other receivables	(87,624)	711,716
Increase in current liabilities		
Trade and other payables	6,603,890	9,074,995
	3,980,632	9,244,715

8 CONTINGENCIES AND COMMITMENTS

Contingencies

In the period 2016-2017, the Company was selected for income tax audit for the period from July 2011 to June 2012. The assessing officer issued impugned order dated 24.01.2017 wherein the Appellant was ordered to pay income tax amount to Rs.9.999 million along with default surcharge and penalty.

Being aggrieved with the order, the Company preferred the instant appeal contesting and that the Deputy Commissioner Inland Revenue passed the order without proper jurisdiction over the appellant's case.

The management and tax advisor of the Company are confident about the favourable outcome of the matter and hence, no provision has been made in these interim financial statement on this account.

Commitments

There were no commitments as at March 31, 2018 (2017: Nil).

9 TRANSACTIONS WITH RELATED PARTIES

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

	Unaudited	
	March 31, 2018	March 31, 2017
	----- Rupees -----	
Associated undertakings		
Organization charges paid	144,517	144,333
Long-term loan taken from associated undertaking	-	700,000
Long-term loan re-paid to associated undertaking	68,670	-
Transactions with key management personnel		
Salaries, benefits and other allowances	1,953,000	1,989,000
Other related parties		
Contribution made by the Company to retirement benefit plan	505,144	537,876
Mark up accrued on loan from retirement benefits plan	77,694	77,694

10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on 25 April 2018 by the Board of Directors of the Company.

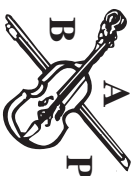
11 GENERAL

Figures presented in these interim condensed financial statement have been rounded off to the nearest rupee,

M. HANIF Y. BAWANY
Chief Executive Officer

MOHAMMD HASHIM
Chief Financial Officer

ZAKARIA A. GHAFAR
Director



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