

# **BAWANY AIR PRODUCTS LIMITED**

**QUARTERLY REPORT  
SEPTEMBER 30, 2021  
(UN-AUDITED)**

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Vali Mohammad M. Yahha  
Mr. M. Hanif Y. Bawany  
Mrs. Momiza Hanif Bawany  
Mr. Mikhail Bawany  
Mr. Wazir Ahmed Jomezai  
Mr. Zakaria A. Ghaffar  
Mr. Muhammad Danish

Chairman - Non Executive Director  
Chief Executive Officer  
Executive Director  
Non Executive Director  
Non Executive Director  
Non Executive Director  
Independent Director

### AUDIT & HR COMMITTEE

Mr. Muhammad Danish  
Mr. Vali Mohammad M. Yahha  
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. Abdul Rauf

### AUDITORS

S. M. SUHAIL & CO.  
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 Pathra, 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: 021-32400440-41

ASSALAM-O-ALAIKUM

On behalf of the Board of Directors, I am pleased to present the Directors' Review on the three months period ended September 30, 2021. The un-audited financial statements of your Company for the period then ended are also being presented for your perusal.

The financial performance of the Company in the 1<sup>st</sup> quarter is almost like last year. There is no considerable progress as the main operations did not resume. There was no revenue in the quarter and the administrative expenses are at the minimum possible level. In order to support the expenses, the Company has rent out a godown to earn nominal income which can cover some of the expenses.

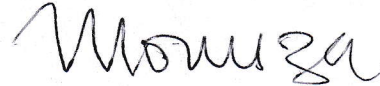
The management is searching for an investor to finance the Company; however, the economic un-certainty and gradual but constant devaluation of rupee are the main factors that have shattered the confidence of business community. Moreover, the agreement to sell the land, building and plant machinery has not yet concluded and is very hopeful that it will be executed completely shortly, however the Company had received Rs. 3.5 million against disposal of plant and machinery items during last year and same was deposited in current period.

On behalf of the Board, we thank you for your support and trust on the management of the Company.

On behalf of the Board



M. Hanif Y. Bawany  
Chief Executive Officer



Momiza Hanif Bawany  
Director

Karachi

Dated: November 22, 2021

## ڈائریکٹران کی رپورٹ

السلام علیکم!

بورڈ آف ڈائریکٹرز کی جانب سے میں ڈائریکٹران کا جائزہ برائے سہ ماہی مدت مختتمہ 30 ستمبر 2021 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔ آپ کی کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت آپ کے ملاحظہ کے لئے بھی پیش کئے جا رہے ہیں۔

پہلی سہ ماہی میں کمپنی کی کارکردگی تقریباً گزشتہ سال جیسی ہی رہی۔ اہم افعال کے آغاز کے لئے کوئی قابل ذکر پیشرفت نہیں ہوئی۔ اس سہ ماہی میں آمدنی نہیں ہو سکی اور انتظامی اخراجات کو کم سے کم سطح پر رکھا گیا ہے۔ اخراجات کو سہارا دینے کے لئے کمپنی نے گودام کو کرائے پر دے دیا ہے تاکہ اخراجات کو پورا کرنے کے لئے کچھ آمدنی حاصل کی جاسکے۔

انتظامیہ کمپنی میں سرمایہ کاری کے لئے ایک سرمایہ کار تلاش کر رہی ہے تاہم غیر یقینی معاشی صورتحال اور روپے کی قدر میں بتدریج بلکہ مسلسل کمی ایسے بنیادی عوامل ہیں جنہوں نے کاروباری برادری کے اعتماد کو نقصان پہنچایا ہے۔ مزید برآں، زمین، بلڈنگ اور پلانٹ و مشینری کی فروخت کا معاہدہ ابھی تک زیر تخیل ہے اور امید ہے کہ جلد ہی مکمل ہو جائے گا، تاہم گزشتہ سال کمپنی کو 3.5 ملین روپے پلانٹ و مشینری اشیاء کی فروخت کی مد میں موصول ہو گئے ہیں اور اسے موجودہ مدت میں جمع کرایا گیا ہے۔

بورڈ کی جانب سے ہم کمپنی کی انتظامیہ پر آپ کے اعتماد اور تعاون کے لئے آپ کے مشکور ہیں۔

منجانب

Mouiza

مومیزہ حنیف

ڈائریکٹر

HPB

ایم حنیف والی باوانی

چیف ایگزیکٹو آفیسر

کراچی

مورخہ: 22 نومبر 2021

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2021**

		Unaudited September 30, 2021	Audited June 30, 2021
Note		Rupees -----	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	5	1,007,882	1,034,950
Long-term deposits		2,342,084	2,342,084
<b>Current Assets</b>			
Advances and other receivables		2,552,646	2,077,141
Sales tax refundable		824,547	824,547
Investments		45,458	45,458
Taxation - net		6,013,482	5,999,431
Cash and bank balances		554,000	74,177
		9,990,133	9,020,754
Non current assets held for sale		123,100,268	123,100,268
<b>Total Assets</b>		<b>136,440,367</b>	<b>135,498,056</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised capital 15,000,000 Ordinary shares of Rs.10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital		75,025,100	75,025,100
Surplus on revaluation of property, plant and equipment - net	6	-	-
Accumulated loss		(80,279,105)	(77,940,920)
		(5,254,005)	(2,915,820)
<b>Non Current Liabilities</b>			
Long-term deposits		46,875,410	45,166,660
<b>Current Liabilities</b>			
Trade and other payables		3,852,273	3,883,021
Liabilities against non current assets for sales		40,000,000	36,428,800
Accrued liabilities		21,672,540	21,308,011
Unclaimed dividend		717,420	717,420
Provisions - K. Electric		-	2,303,902
Payable to Providend fund		23,775	-
Due to related parties		28,552,954	28,606,062
		94,818,962	93,247,216
<b>Total Equity and Liabilities</b>		<b>136,440,367</b>	<b>135,498,056</b>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**M. HANIF Y. BAWANY**  
 Chief Executive Officer

  
**ABDUL RAUF**  
 Chief Financial Officer


  
**MOMIZA HANIF BAWANY**  
 Director

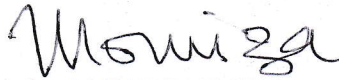
**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

		Un-audited	
		Three months ended	
		September 30,	September 30,
		2021	2020
		-----Rupees-----	
	Note		
Sales - net		-	-
Cost of sales	7	-	(894,015)
Gross profit		-	(894,015)
Other operating income		450,000	-
		450,000	(894,015)
Distribution cost		-	(262,294)
Administrative expenses		(2,428,567)	(2,766,608)
Other operating expenses		(358,273)	(720,878)
Finance cost - net		(1,345)	226,488
		(2,788,185)	(3,523,292)
Loss before taxation		(2,338,185)	(4,417,307)
Provision for taxation	8	-	-
Loss for the period		(2,338,185)	(4,417,307)
Other comprehensive income		-	-
Total comprehensive income		(2,338,185)	(4,417,307)
Earnings per share - basic and diluted		(0.31)	(0.59)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**M. HANIF Y. BAWANY**  
 Chief Executive Officer

  
**ABDUL RAUF**  
 Chief Financial Officer


  
**MOMIZA HANIF BAWANY**  
 Director

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

		September 30, 2021	September 30, 2020
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>----- Rupees -----</b>	
Loss before taxation		(2,338,185)	(4,417,307)
<b>Adjustments for:</b>			
Depreciation		27,068	751,285
Finance cost		1,345	-
Operating cash flows before working capital changes		(2,309,772)	(3,666,022)
<b>Working capital changes</b>	<b>9</b>	<b>(2,474,959)</b>	<b>(4,201,894)</b>
<b>Net cash used in operations</b>		<b>(4,784,731)</b>	<b>(7,867,916)</b>
Finance cost paid		(1,345)	-
Income tax paid		(14,051)	(3,597)
<b>Net cash used in operating activities</b>		<b>(4,800,127)</b>	<b>(7,871,513)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Advance against sale of land, building and plant		-	17,500,000
Proceed from disposal of plant and machinery items		3,571,200	-
<b>Net cash generated from investing activities</b>		<b>3,571,200</b>	<b>17,500,000</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term deposits - net		1,708,750	-
<b>Net cash generated from financing activities</b>		<b>1,708,750</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>479,823</b>	<b>9,628,487</b>
Cash and cash equivalents at beginning of the period		74,177	(11,961,258)
<b>Cash and cash equivalents at end of the period</b>	<b>10</b>	<b>554,000</b>	<b>(2,332,771)</b>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**M. HANIF Y. BAWANY**  
 Chief Executive Officer


  
**ABDUL RAUF**  
 Chief Financial Officer


  
**MOMIZA HANIF BAWANY**  
 Director

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Issued, subscribed and paid-up capital	Surplus on revaluation of property, plant and equipment - net ----- Rupees -----	Accumulated loss	Total
Balance as at June 30, 2020	75,025,100	99,007,533	(158,810,281)	15,222,352
Transferred during the year	-	(99,007,533)	99,007,533	-
Total other comprehensive income	-	-	-	-
Total loss for the year ended June 30, 2021	-	-	(18,138,172)	(18,138,172)
Balance as at June 30, 2021	75,025,100	-	(77,940,920)	(2,915,820)
Total comprehensive income for the three months period ended September 30, 2021	-	-	(2,338,185)	(2,338,185)
<b>Balance as at September 30, 2021</b>	<b>75,025,100</b>	<b>-</b>	<b>(80,279,105)</b>	<b>(5,254,005)</b>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

  
**M. HANIF Y. BAWANY**  
 Chief Executive Officer

  
**ABDUL RAUF**  
 Chief Financial Officer

  
**MOMIZA HANIF BAWANY**  
 Director

**BAWANY AIR PRODUCTS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

**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 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange Limited. 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, 2020.

**3 SIGNIFICANT TRANSACTIONS AND EVENTS THAT EFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE**

**Disposal of land, building and plant and machinery**

During the period, the Company received Rs.3.57 million against disposal of plant & machinery items.

**Payment to K-Electric**

The matter of excess billing of K-Electric was discussed in detail with them and ultimately, the matter was concluded in favour of the Company and the management has paid off the agreed amount during the period.

**4 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

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, 2021.

	Note	Unaudited September 30, 2021	Audited June 30, 2021
		----- Rupees -----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating property, plant and equipment		<u>1,007,882</u>	<u>1,034,950</u>
<b>5.1</b>	Additions to property, plant and equipment during the period were Rs. Nil (June 30, 2021: Rs. Nil) and disposals there from at net book value were Rs. Nil (June 30, 2021: Rs. Nil).		
<b>6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net</b>			
Surplus on freehold land		-	89,654,210
Surplus on building on freehold land		-	9,353,322
Transferred to retained earning		-	(99,007,532)
		<u>-</u>	<u>-</u>

Un-audited	
Three Months Ended	
September 30, 2021	September 30, 2020
----- Rupees -----	

7 **COST OF SALES**

Salaries, wages and benefits	-	552,818
Power, fuel and water	-	16,770
Repairs, maintenance and handling	-	21,200
Others	-	303,227
	<u>-</u>	<u>894,015</u>

8 **TAXATION**

As the Company did not earn any taxable income during the period, therefore, there is no charge for taxation.

9 **WORKING CAPITAL CHANGES**

**(Increase)/decrease in current assets**

Advances and other receivables	(475,505)	-
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**Increase in current liabilities**

Trade and other payables	(1,946,346)	(4,490,494)
Due to related parties	(53,108)	288,600
	<u>(2,474,959)</u>	<u>(4,201,894)</u>

10 **CASH AND CASH EQUIVALENTS**

Cash and bank balances	554,000	838,081
Short term financing - running finance	-	(3,170,852)
	<u>554,000</u>	<u>(2,332,771)</u>

11 **TRANSACTIONS WITH RELATED PARTIES**

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

**Associated undertakings**

Organization charges paid	136,749	136,749
Loan repaid to associated undertaking	5,000	5,010

**Other related parties**

Contribution made by the Company to retirement benefit plan	35,400	57,861
Interest charged to the Company to retirement benefit plant	535	96,296

12 **DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorised for issue on November 22, 2021 by the Board of Directors of the Company.

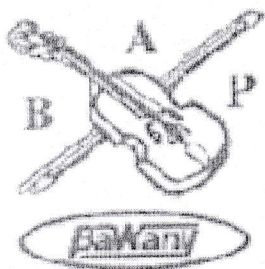
13 **GENERAL**

Figures presented in these condensed interim financial information have been rounded off to the nearest rupee.

  
M. HANIF Y. BAWANY  
Chief Executive Officer

  
ABDUL RAUF  
Chief Financial Officer

  
MOMIZA HANIF BAWANY  
Director



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