

**BAWANY AIR
PRODUCTS LIMITED**

**QUARTERLY REVIEW
MARCH 31, 2022
(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 Jogezi
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 Fax: 021-32411986

DIRECTORS' REPORT TO THE MEMBERS

ASSALAM-O-ALAIKUM

Directors' Review

Your directors are pleased to present the Condensed Interim Financial Statements on performance of your Company for the quarter ended March 31, 2022.

INDUSTRY OVERVIEW

The business environment in Pakistan is very uncertain as it is directly linked to national political situation and international dynamics. The Russia and Ukraine conflict has a great impact on business community and on top of that the sudden shift of government in Pakistan has put all things on hold. Moreover, the weakening Rupee against all foreign currencies is another factor that affects all the industries.

The management is searching for opportunities of fresh investment that could be injected to resume the operations of the Company.

PERFORMANCE OF THE COMPANY

There is no revenue in the 3rd quarter as well and only minimum possible expenses are being incurred. The bottom-line loss amounted to Rs. 7 million for the nine months period under review.

FINANCIAL HIGHLIGHTS

An analysis of the nine months performance of the Company with prior period, is as follows:

Description	Nine months ended	
	March 31, 2022	March 31, 2021
Sales	-	-
Cost of Sales	-	3,072,298
Administrative expenses	6,589,817	7,380,738
Other operating expenses	1,954,355	704,397
Net loss for the period	7,073,229	13,265,503

The management is putting its best efforts to curtail the expenses which is evident from above table that with no income, the Company has incurred lowest possible expenses. The loss for the nine months ended March 2022 is almost 50% less than the comparative period of the last year.

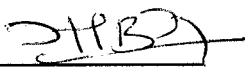
FUTURE OUTLOOK AND GOING CONCERN ASSUMPTION

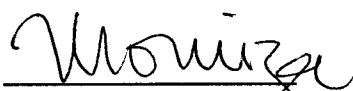
The Company is actively pursuing the litigation matter in the Court related to sale of its land building and certain machinery. On the other hand, the management is trying its best efforts to search for an equity investor who can inject funds to revive the operations of the Company.

ACKNOWLEDGEMENT

The management has strong faith in Almighty ALLAH and is hopeful for a turnaround in near future, courtesy to its efforts and your prayers in running the business, In Sha Allah. All the management and Directors appreciate your patience, support and trust that you have shown towards us.

On behalf of the Board


M. Hanif Y. Bawany
Chief Executive Officer
Karachi
Dated: April 27, 2022


Momiza Hanif Bawany
Director

ممبران کے لئے ڈائریکٹرز رپورٹ
ڈائریکٹران کا جائزہ

آپ کے ڈائریکٹران کمپنی کے اختصاری عبوری مالیاتی گوشوارے برائے سہ ماہی مدت تختہ 31 مارچ 2022 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

صنعتی جائزہ

پاکستان میں کاروباری ماحول انتہائی غیر یقینی صورتحال کا شکار ہے کیونکہ اس کا براہ راست تعلق قومی سیاسی صورتحال اور عالمی پہلوؤں سے ہوتا ہے۔ روس اور یوکرین کے تنازعہ سے کاروباری برادری پر گہرا اثر پڑا ہے اور سب سے اول یہ ہے کہ حکومت پاکستان کی اچانک تبدیلی سے تمام چیزیں رک گئی ہیں۔ مزید برآں تمام بیرونی کرنسیوں کے مقابلے میں پاکستانی روپے کی کمزوری ایک دوسرا عنصر ہے جس نے تمام صنعتوں کو متاثر کیا ہے۔

انتظامیہ سرمائے کے حصول کے لئے نئی سرمایہ کاریوں کے مواقع کو تلاش کر رہی تاکہ کمپنی کے افعال کو دوبارہ شروع کیا جاسکے۔

کمپنی کی کارکردگی

تیسری سہ ماہی میں کوئی آمدنی نہیں ہوئی اور صرف کم سے کم ممکنہ اخراجات برداشت کئے گئے۔ زیر جائزہ نو ماہ کا خالص خسارہ 7 ملین روپے تک پہنچ گیا۔

مالیاتی جھلکیاں

کمپنی کی نو ماہی کارکردگی کا سابقہ مدت کے ساتھ تجزیہ درج ذیل ہے:

نو ماہی مدت تختہ		تفصیل
31 مارچ 2021	31 مارچ 2022	
-	-	فروخت
3,072,298	-	لاگت فروخت
7,380,738	6,589,817	انتظامی اخراجات
704,397	1,954,355	دیگر کاروباری اخراجات
13,265,503	7,073,229	مدت کا خالص خسارہ

اخراجات کو کم کرنے کے لئے انتظامیہ بہترین کوششیں بروئے کار لارہی ہے جو کہ مذکورہ بالا ٹیبل سے ثابت ہے کہ کمپنی نے کسی آمدنی کے بغیر کم سے کم ممکنہ اخراجات برداشت کئے۔ نو ماہی مدت تختہ 31 مارچ 2022 کا خسارہ گزشتہ سال اسی مدت کی بہ نسبت تقریباً 50 فیصد کم ہے۔

مستقبل کی پیش بینی اور چلتے ہوئے ادارہ کا مفروضہ

کمپنی متحرک طور پر اپنی زمین، عمارت اور مخصوص مشینری کی فروخت کے سلسلے میں عدالت سے ملحقہ مقدمہ بازی کا معاملہ باریک بینی سے نگرانی کر رہی ہے۔ جبکہ دوسری جانب انتظامیہ کسی حصصی سرمایہ کاری کی تلاش کے لئے بہترین کوششیں کر رہی ہے جو کہ کمپنی کے افعال میں سرمایہ لگا سکے۔

اعتراف

انتظامیہ اللہ رب العزت پر مکمل یقین رکھتی ہے اور پر امید ہے کہ اپنی کاوشوں اور آپ کی دعاؤں سے مستقبل قریب میں انشاء اللہ بہترین تبدیلی آئے گی۔ انتظامیہ اور تمام ڈائریکٹران آپ کے صبر، تعاون اور بھروسے پر آپ کے مشکور ہیں۔

منجانب

Momiza

مومیذہ حنیف باوانی
ڈائریکٹر

HRB27

ایم حنیف وائی باوانی
چیف ایگزیکٹو آفیسر


کراچی

مورخہ: 27 اپریل 2022

BAWANY AIR PRODUCTS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

		Unaudited March 31, 2022	Audited June 30, 2021
	Note	Rupees	
ASSETS			
Non Current Assets			
Property, plant and equipment	4	889,612	1,034,950
Long-term deposits		2,342,084	2,342,084
Current Assets			
Advances and other receivables		1,645,284	2,077,141
Sales tax refundable		824,547	824,547
Investments		45,885	45,458
Taxation - net		6,042,160	5,999,431
Cash and bank balances		430,038	74,177
		8,987,914	9,020,754
Non-current assets held for sale		123,100,268	123,100,268
Total Assets		135,319,878	135,498,056
EQUITY AND LIABILITIES			
Share Capital and Reserves			
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	5	-	-
Accumulated loss		(85,014,149) (9,989,049)	(77,940,920) (2,915,820)
Non Current Liabilities			
Long-term deposits		46,740,910	45,166,660
Current Liabilities			
Trade and other payables		3,878,010	3,883,021
Accrued liabilities		23,639,395	21,308,011
Unclaimed dividend		717,420	717,420
Provisions		135,350	2,303,902
Payable to provident fund		182,923	-
Due to related parties		30,014,919	28,606,062
Liabilities against non-current assets for sale		40,000,000	36,428,800
		98,568,017	93,247,216
Contingencies and Commitment	11		
Total Equity and Liabilities		135,319,878	135,498,056

The annexed notes form an integral part of these condensed interim financial information.


M. HANIF Y. BAWANY
 Chief Executive Officer

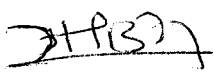

ABDUL RAUF
 Chief Financial Officer



MOMIZA HANIF BAWANY
 Director

BAWANY AIR PRODUCTS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Note	Nine months period ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Rupees		Rupees	
Sales - net		-	-	-	-
Cost of sales	6	-	(3,072,298)	-	(877,921)
Gross (loss) / profit		-	(3,072,298)	-	(877,921)
Other operating income / (loss) - net		1,490,330	(239,840)	18,985	(269,840)
Unrealized gain / (loss) on revaluation of other financial assets		426	1,146	-	-
		1,490,756	(3,310,992)	18,985	(1,147,761)
Administrative expenses		(6,589,817)	(7,380,738)	(1,941,343)	(2,123,119)
Other operating expenses	7	(1,954,355)	(704,397)	(233,170)	-
Finance cost - net	8	(19,813)	(1,255,145)	(16,103)	(7,547)
Loss before taxation		(7,073,229)	(12,651,272)	(2,171,631)	(3,278,427)
Provision for taxation - current	9	-	-	-	-
Loss for the period		(7,073,229)	(12,651,272)	(2,171,631)	(3,278,427)
Remeasurement of non-current assets held for sale					
Loss on remeasurement - other assets		-	(614,231)	-	-
Net loss for the period		(7,073,229)	(13,265,503)	(2,171,631)	(3,278,427)
Earnings per share - basic and diluted		(0.94)	(1.77)	(0.29)	(0.44)

The annexed notes form an integral part of these condensed interim financial information.


M. HANIF Y. BAWANY
Chief Executive Officer


ABDUL RAUF
Chief Financial Officer


MOMIZA HANIF BAWANY
Director

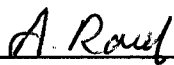
BAWANY AIR PRODUCTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Six months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees -----		----- Rupees -----	
Loss for the period	(7,073,229)	(13,265,503)	(2,171,631)	(3,278,427)
Total comprehensive loss for the year	(7,073,229)	(13,265,503)	(2,171,631)	(3,278,427)

The annexed notes form an integral part of these 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 NINE MONTHS ENDED MARCH 31, 2022

	Issued, subscribed and paid-up capital	Surplus on revaluation of property, plant and equipment - net	Accumulated loss	Total
	----- Rupees -----			
Balance as at July 1, 2020	75,025,100	99,007,533	(158,810,281)	15,222,352
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax		-	-	-
Total comprehensive income for the nine months period ended March 31, 2021			(13,265,503)	(13,265,503)
Balance as at March 31, 2021	75,025,100	99,007,533	(172,075,784)	1,956,849
Balance as at July 1, 2021	75,025,100	-	(77,940,920)	(2,915,820)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-
Total comprehensive income for the nine months period ended March 31, 2022	-		(7,073,229)	(7,073,229)
Balance as at March 31, 2022	75,025,100	-	(85,014,149)	(9,989,049)

The annexed notes form an integral part of these 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 NINE MONTHS ENDED MARCH 31, 2022

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 Pathra, Tehsil Hub, Lasbella District, Balochistan.

1.1 GOING CONCERN ASSUMPTION

The Company has incurred a net loss of Rs. 7.073 million during the nine months ended March 31, 2022 and as of that date its accumulated losses amounted to Rs. 85.014 million. Its current assets exceed its current liability by Rs. 89.58 million. The operation of the Company have been suffering due to breakdown of its plant that has resulted in stoppage of production of liquid oxygen in the year 2013.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its obligations in the ordinary course of its business. However, in view of the management's claim to deal with the above situation, these financial statements have been prepared using the going concern assumption due to fact that management is actively searching for equity investor which injects desired capital to revive the operations of the Company. This may result in improvement of adverse liquidity and financial position of the Company.

2 BASIS OF PREPARATION

The condensed interim financial information has been prepared for the ninth months period ended March 31, 2021 in accordance with the requirement of international Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where the requirements differ, the provision of or directives issued under the Companies Act, 2017 are being prevailed

These condensed interim financial information are unaudited and are being circulated to the shareholders in accordance with the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

The condensed interim financial information does not include all the onformation and disclosures as required for preparation of annual financial statements therefore, it should be read in conjunction with the annual audited financial statements for the year ended June 30, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimate.

The accounting policies, estimates, judgments and methods of computation adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company as at and for the year ended June 30, 2021.

4 PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment

Un-audited March 31, 2022	Audited June 30, 2021
----- Rupees -----	
<u>889,612</u>	<u>1,034,950</u>

4.1 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. 69,304 (June 30, 2021: Rs.Nil).

5	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net	Note	Unaudited	Audited
			March 31, 2022	June 30, 2021
			----- Rupees -----	
	Surplus on freehold land		-	89,654,210
	Surplus on building on freehold land		-	9,353,322
	Transferred to retained earnings		-	(99,007,532)
			-	-

6	COST OF SALES	Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
----- Rupees -----					
	Salaries, wages and benefits	-	1,873,637	-	504,765
	Repairs, maintenance and handling	-	203,500	-	20,120
	Others	-	995,161	-	353,036
		-	3,072,298	-	877,921

7	OTHER OPERATING EXPENSES / (INCOME)				
	Depreciation on idle plant	-	720,878	-	-
	Expenses related idle plant and machinery and factory	1,949,355	-	228,170	-
	Others	5,000	(16,481)	5,000	-
		1,954,355	704,397	233,170	-

8	FINANCE COST				
	Short term borrowings from ORIX Leasing	-	1,427,528	-	-
	Short term borrowings from Faysal Bank	-	(362,784)	-	-
	Short term borrowings from Provident Fund	18,083	135,133	15,653	523
	Bank charges	1,730	55,268	450	7,024
		19,813	1,255,145	16,103	7,547

8.1 This represents interest on loan and contributions payable to the Staff Provident Fund.

9 TAXATION

Since the Company did not earn any taxable income, there is no charge of taxation for current year

10	WORKING CAPITAL CHANGES	Unaudited	
		March 31, 2022	March 31, 2021
----- Rupees -----			
(Increase) / decrease in current assets			
	Trade debts	-	29,127
	Advances and other receivables	431,857	3,829
(Decrease) / Increase in current liabilities			
	Trade and other payables	(5,011)	74,303
	Provisions	(2,168,552)	-
	Accrued liabilities	2,331,384	(1,152,475)
	Payable to provident fund	182,923	(6,835,181)
		772,601	(7,880,397)

11 CONTINGENCIES AND COMMITMENTS

Contingencies

The Company was selected for the monitoring of withholding income tax under section 161/205 of the Income Tax Ordinance, 2001 in respect of tax year 2018, 2019 and 2020. The concerned Commissioner passed an orders for the tax year 2018 & 2020 and raised a demand of Rs. 48,554 and 61,561 respectively which is payable by the Company and the Company has been paid both amount in subsequent period. Moreover, the concerned Commissioner passed an order for the tax year 2019 and raised a demand of Rs.1.760 million against which the Company has filed appeal before the concerned Commissioner which is pending for hearing. The Company has also obtained stay against the recovery of aforesaid demand. The management is confident that the decision will be in favour of the Company.

Commitments

There were no commitments as at March 31, 2022

12 TRANSACTIONS WITH RELATED PARTIES

The related parties include a subsidiary Company, entities having directors in common with the Company, major shareholders of the Company, directors and other key management personnel and retirement benefit plans. Transaction with related parties, other then those disclosed elsewhere in the financial statements are as under:


	Unaudited	
	March 31, 2022	March 31, 2021
	----- Rupees -----	
Associated undertakings		
Organization charges paid	410,247	410,247
Long-term loan re-paid to associated undertaking	6,535	2,512,820
Transactions with key management personnel		
Salaries, benefits and other allowances	2,771,377	2,748,398
Other related parties		
Contribution made by the Company to retirement benefit plan	106,200	71,934

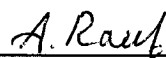
13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 27, 2022 by the Board of Directors of the Company.

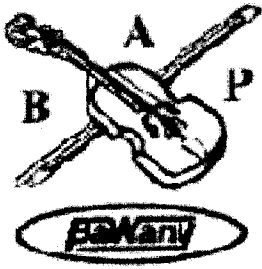
14 GENERAL

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


M. HANIF Y. BAWANY
Chief Executive Officer


ABDUL RAUF
Chief Financial Officer


MOMIZA HANIF BAWANY
Director



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If undelivered please return to:

BAWANY AIR

PRODUCTS LIMITED

16-C, 2nd Floor, Nadir House,

I.I. Chundrigar Road,

Karachi