

**BAWANY AIR  
PRODUCTS LIMITED**

**HALF YEARLY REPORT  
DECEMBER 31, 2022  
(UN-AUDITED)**

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	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
<b>AUDIT &amp; HR COMMITTEE</b>	Mr. Muhammad Danish Mr. Vali Mohammad M. Yahha Mr. Zakaria A. Ghaffar Mr. Muhammad Munir	Chairman Member Member Secretary to Audit Committee
<b>HEAD OF INTERNAL AUDIT</b>	Mr. Muhammad Munir	
<b>CHIEF FINANCIAL OFFICER &amp; COMPANY SECRETARY</b>	Mr. Abdul Rauf	
<b>AUDITORS</b>	S. M. SUHAIL & CO. Chartered Accountants	
<b>BANKERS</b>	Faysal Bank Limited United Bank Limited MCB Bank Limited National Bank of Pakistan	
<b>SHARE REGISTRAR</b>	C&K Management Associates (Pvt) Ltd. 404, Trade Tower, Abdullah Haroon Road, Karachi Te: 35687839-35685930	
<b>ADDRESS</b>	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 and Auditors Review Report on performance of your Company for the half year ended December 31, 2022.

These financial statements of the Company were subject to limited scope review by the external auditors, as required by the Companies Act 2017 and the Code of Corporate Governance for Listed Companies. This review was successfully conducted, and the review report of auditors is also attached. The auditors have issued qualified opinion and the Management is working on these points.

### INDUSTRY OVERVIEW

The overall conditions of the business were showing some sign of improvement but the recent covid wave has again hampered the growth. The management is searching for opportunities of fresh investment that could be injected in the Company and resume its operations.

### PERFORMANCE OF THE COMPANY

Like last year, there was no revenue and only minimum possible expenses were incurred to keep the Company running. The bottom-line surplus amounted to Rs. 64 million for the six months period under review.

### FINANCIAL HIGHLIGHTS

An analysis of the half year performance of the Company with prior period, is as follows:

Description	Half Year Ended on Dec 31, 2022	Half Year Ended on Dec 31, 2021
Sales	-	-
Administrative expenses	(6,011,359)	(4,648,474)
Other operating expenses	(1,137,830)	(1,721,185)
Net surplus / (loss) for the period	64,052,833	(4,901,598)

The administration expenses mainly comprise of salary employees, fees, rent and auditors' remuneration and legal expenses. The increase in legal expenses is attributable to lawsuits related to sale of assets that were successfully concluded in the current period.

In the month of September 2022, the agreement for sale of land, building and certain items of machinery was concluded, and the counterparty agreed to unconditionally settle and honor the sale agreement. On receipt of balance payment, the Company transferred the land, building and machinery to the buyer, resulting in a surplus of Rs. 68.9 million.

The auditors have issued a qualification in their review report on going concern assumption; even though the Company has a positive bottom line in profit and loss, there is significant improvement in current ratio, the overall equity of the Company has become positive and there are liquid cash assets of the Company. The management strongly believes that these are all positive indicators which support the going concern assumption and the Company

The second qualification by the auditors is based on security deposits of the Company. The Company is in process of compiling and tracing the contact details of the parties who have deposited security deposits amounting of Rs. 45.01 million against gas cylinders and tanks. Based on the data compiled so far, after period end, the Company has paid Rs. 3.67 million out of this liability and the management intends to settle the remaining balance in near future.

## **FUTURE OUTLOOK**

The sale proceeds of assets were all received by the Company, and it has resulted in surplus cash, which the management intends to utilize in other business avenues which are under consideration. The management has prepared an alternate plan to consider different / new business options, which have also been shared with the Securities & Exchange Commission of Pakistan. The Company intends to implement any of these plans after considering the business, economic and political environment of the Country.

## **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



**Momiza Hanif Bawany**  
Director

Karachi

Dated: 27th February 2023

## ڈائریکٹرز رپورٹ برائے ممبران

السلام علیکم!

ڈائریکٹران کا جائزہ

آپ کے ڈائریکٹران اختصاری عبوری مالیاتی گوشوارے اور کمپنی کی کارکردگی پر آڈیٹرز کی جائزہ رپورٹ برائے ششماہی مدت تختتمہ 31 دسمبر 2022 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی کے مالیاتی گوشوارے بیرونی آڈیٹرز کے محدود دائرہ کار کے تحت تیار کئے گئے ہیں جو کہ کمپنیز ایکٹ 2017 اور سٹاک ایکسچینج کے کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق ہیں۔ یہ جائزہ کامیاب سے تکمیل پایا اور آڈیٹرز کی جائزہ رپورٹ بھی منسلک کی گئی ہے۔ آڈیٹرز نے اپنی رائے میں کچھ اعتراضات اٹھائے ہیں اور انتظامیہ ان نکات پر کام کر رہی ہے۔

صنعتی جائزہ

کاروبار کی مجموعی صورتحال میں کچھ بہتری کی علامت آرہی ہیں لیکن کوڈ کی حالیہ لہر نے ایک مرتبہ پھر نمو پر اثرات مرتب کئے ہیں۔ انتظامیہ سرمایہ کاری کے نئے مواقع تلاش کر رہی ہے جسے کمپنی میں استعمال کیا جائے گا اور اس کے آپریشنز کا آغاز ہوگا۔

کمپنی کی کارکردگی

گزشتہ سال کی طرح اس سال بھی کوئی آمدنی نہیں ہوئی اور کمپنی کو چالو رکھنے کے لئے صرف کم از کم ممکنہ اخراجات کئے گئے۔ زیر جائزہ ششماہی مدت کے دوران بنیادی خالص آمدنی میں 64 ملین روپے کا اضافہ ہوا۔

مالیاتی جھلکیاں

کمپنی کی موجودہ مدت کارکردگی کا موازنہ گزشتہ مدت کے ساتھ درج ذیل ہے:

تفصیل	ششماہی مدت تختتمہ 31 دسمبر 2022	ششماہی مدت تختتمہ 31 دسمبر 2021
فروخت	-	-
انتظامی اخراجات	(6,011,359)	(4,648,474)
دیگر کاروباری اخراجات	(1,137,830)	(1,149,974)
مدت کا خالص منافع / (خسارہ)	64,052,833	(4,901,598)

انتظامی اخراجات میں بنیادی طور پر ملازمین کی تنخواہیں، فیس، کرایہ اور آڈیٹرز کا معاوضہ اور قانونی اخراجات شامل ہیں۔ قانونی اخراجات میں اضافہ کو اثاثوں کی فروخت سے متعلق قانونی مقدمات سے منسوب کیا جاسکتا ہے جو کہ موجودہ مدت میں کامیابی سے تکمیل پائے۔

ستمبر 2022 کے مہینے میں زمین، عمارت اور مخصوص اقسام کی مشینری کی فروخت کے معاہدے تکمیل پائے اور فریق مخالف غیر مشروط طور پر

معاهدہ فروخت پر عملدرآمد کرنے اور تصفیہ کرنے پر رضامند ہو گیا ہے۔ بقایا رقم کی وصولی پر کمپنی نے زمین، عمارت اور مشینری کو خریدار کو منتقل کر دیا ہے جس کے نتیجے میں 68.9 ملین روپے کی اضافی آمدنی حاصل ہوئی۔

آڈیٹرز نے اپنی جائزہ رپورٹ میں چلتے ہوئے ادارے پر اعتراضات اٹھائے ہیں اگرچہ کہ کمپنی کا بنیادی منافع و خسارہ مثبت ہے، رواں قدر میں قابل ذکر بہتری ہوئی ہے، کمپنی کی مجموعی ایکویٹی مثبت ہو گئی ہے اور کمپنی کے پاس رواں نقد اثاثے موجود ہیں۔ انتظامیہ مضبوطی سے یقین رکھتی ہے کہ تمام مثبت اشاریے کمپنی اور چلتے ہوئے ادارے کے مفروضہ کے لئے معاون ہیں۔

آڈیٹرز کا دوسرا اعتراض کمپنی کے سیکورٹی ڈپازٹس کی بنیاد پر ہے۔ کمپنی ان فریقین کے رابطہ کی تفصیلات کو تلاش اور مرتب کر رہی ہے جنہوں نے گیس سلیدرز اور ٹینکوں کی مد میں 45.01 ملین روپے کے سیکورٹی ڈپازٹس جمع کرائے ہیں۔ مدت کے اختتام پر اب تک مرتب کردہ ریکارڈ کے مطابق کمپنی نے اپنے واجبات میں سے 3.67 ملین روپے ادا کر دیئے ہیں اور انتظامیہ کا ارادہ ہے کہ مستقبل قریب میں بقایا واجبات کا بھی تصفیہ کر دے۔

### مستقبل کے امکانات

کمپنی کو اثاثوں کی فروخت سے تمام رقم حاصل ہو گئی ہے اور اس کے نتیجے میں اضافی نقد حاصل ہوا ہے جس کے بارے میں انتظامیہ کا ارادہ ہے کہ اسے دیگر کاروباری مواقع میں استعمال کرے جو کہ اس وقت زیر غور ہیں۔ انتظامیہ نے مختلف نئے کاروباری مواقع پر غور کے لئے ایک متبادل منصوبہ تیار کیا ہے، جس کے متعلق سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو بھی مطلع کر دیا گیا ہے۔ کمپنی کا ارادہ ہے کہ ملک کے کاروباری، معاشی اور سیاسی ماحول کو مد نظر رکھتے ہوئے ان منصوبوں پر عملدرآمد کرے۔

### اعتراف

انتظامیہ اللہ رب العزت پر مکمل یقین رکھتی ہے اور امید کرتی ہے مستقبل قریب میں آپ کی کوششوں اور دعاؤں سے کاروبار کے چلانے میں ایک نیا موڑ آئے گا، انشاء اللہ۔ انتظامیہ اور ڈائریکٹران آپ کے صبر، تعاون اور ہم پر اعتماد کے لئے آپ کے مشکور ہیں۔

### منجانب

Mouiza

مومیذہ حنیف باوانی  
ڈائریکٹر

HRB

ایم حنیف وائی باوانی  
چیف ایگزیکٹو آفیسر

کراچی

مورخہ: 27 فروری 2023



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF BAWANY AIR PRODUCTS LIMITED  
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Bawany Air Products Limited** (the Company) as at December 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the half year then ended (here-in-after referred as the "condensed interim financial statements"). Management of the Company is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for the interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and December 31, 2022 have not been reviewed and we do not express a conclusion thereon as we are required to review only the cumulative figures for the half year ended December 31, 2022.

**Scope of Review**

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements 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.

**Basis for Qualified Conclusion**

- 1- Although the Company's net profit for the half year is of Rs. 64,052,833 is mainly due to gain on sale of its major assets, but there is no commercial activity for regular business cash inflows. The Company has been negatively impacted since 2013 by a significant plant component breakdown, which has sold after the year ended June 30, 2022. The Company has submitted a draft business plan to the SECP for approval is an attempt to revive its operations. However, given the challenging business environment, limited chances of revival of the old business, and due to no business activity, the SECP's intimation referring to the Companies Act, 2017 (the Act) may initiate winding up process by the Court, as the business is suspended for a whole year as per the section 301 clause (m) of the Act. Considering the narrated facts, we have concluded that the going concern assumption used by the management in preparing the financial statements is inappropriate.

- 2- The Company does not have complete records of the parties who have deposited securities, of an aggregate amount of Rs. 45.02 million to the Company, against gas cylinders and tanks, for past many years. In the absence of a complete record, we were unable to perform appropriate audit procedures on these deposits.

### **Qualified Conclusion**

Based on our review, with the exception of the matter described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for the interim financial reporting.

### **Other Matter**

We draw attention to the fact that the Company's securities were placed on the defaulter segment of the Pakistan Stock Exchange (PSX) on February 07, 2019, under Regulation 5.11.1 (i) of the PSX Rule Book. The Company is allowed to continue trading its shares despite being on the defaulter segment. The Company's management has informed us that they are taking steps to rectify the default and are in discussions with the PSX to resolve the matter. However, our opinion is not qualified in this matter.

The engagement partner on the review resulting in this independent auditor's review report is Mr. S.M. Suhail, FCA.



S.M. Suhail & Co.  
Chartered Accountants  
Karachi.

Date: February 27, 2023  
UDIN: RR202210197adOGpr9zg

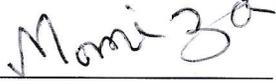
**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)**  
**AS AT DECEMBER 31, 2022**

	Note	December 31, 2022 Un-Audited	June 30, 2022 Audited
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	4	892,676	860,170
Long-term deposits		<u>2,342,084</u>	<u>2,342,084</u>
		<b>3,234,760</b>	<b>3,202,254</b>
<b>Current Assets</b>			
Advances and other receivables		<u>1,640,492</u>	1,635,265
Sales tax refundable		824,547	824,547
Investments		46,660	45,297
Taxation - net		6,067,630	6,056,796
Cash and bank balances	5	<u>134,375,920</u>	<u>241,109</u>
		<b>142,955,249</b>	<b>8,803,014</b>
Non-current assets held for sale	6	-	123,100,268
		<u>146,190,009</u>	<u>135,105,536</u>
<b>Total Assets</b>		<b>146,190,009</b>	<b>135,105,536</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized share capital</b>			
15,000,000 (June, 2022: 15,000,000) Ordinary Shares of Rs.10/- each		<u>150,000,000</u>	<u>150,000,000</u>
<b>Share capital</b>			
Issued, subscribed and paid-up capital		75,025,100	75,025,100
<b>Capital reserve</b>			
Accumulated loss		<u>(22,942,560)</u>	<u>(86,995,393)</u>
		<b>52,082,540</b>	<b>(11,970,293)</b>
<b>Non-current Liabilities</b>			
Long-term deposits		45,016,660	45,166,660
<b>Current Liabilities</b>			
Trade and other payables		<u>2,275,992</u>	3,983,010
Accrued liabilities		25,403,958	26,903,256
Unclaimed dividend		717,420	717,420
Due to related parties		20,693,439	30,305,483
Liability against non-current assets for sale	7	-	40,000,000
		<b>49,090,809</b>	<b>101,909,169</b>
Contingencies and commitments	8		
		<u>146,190,009</u>	<u>135,105,536</u>
<b>Total Equity and Liabilities</b>		<b>146,190,009</b>	<b>135,105,536</b>

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

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

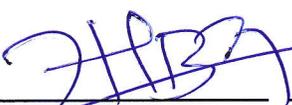
  
**ABDUL RAUF**  
 Chief Financial Officer

  
**MOMIZA HANIF BAWANY**  
 Director

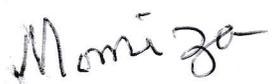
**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		----- Rupees -----		----- Rupees -----	
Sales - net		-	-	-	-
Cost of sales		-	-	-	-
Gross loss		-	-	-	-
Administrative expenses	9	(6,011,359)	(4,648,474)	(3,431,622)	(2,219,907)
Other operating expenses	10	(1,137,830)	(1,721,185)	(522,177)	(791,701)
Other income	11	71,208,785	1,471,345	1,859,053	450,134
Unrealized gain on revaluation of investments		1,364	426	1,364	426
		64,060,960	(4,897,888)	(2,093,382)	(2,561,048)
Finance cost	12	(8,127)	(3,710)	(7,211)	(2,365)
Profit / (loss) before taxation		64,052,833	(4,901,598)	(2,100,593)	(2,563,413)
Provision for taxation - current	13	-	-	-	-
Net Profit / (loss) for the period		64,052,833	(4,901,598)	(2,100,593)	(2,563,413)
<b>COMPREHENSIVE INCOME</b>					
Profit / (loss) for the period		64,052,833	(4,901,598)	(2,100,593)	(2,563,413)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		64,052,833	(4,901,598)	(2,100,593)	(2,563,413)
Profit/ (loss) per share - basic and diluted		8.54	(0.65)	(0.28)	(0.34)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements. 9/22

  
**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 (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Issued, subscribed and paid-up capital	Accumulated loss	Total Equity
	----- Rupees -----		
Balance as at July 1, 2021	75,025,100	(77,940,920)	(2,915,820)
Total comprehensive loss for the period ended December 31, 2021	-	(4,901,598)	(4,901,598)
<b>Balance as at December 31, 2021</b>	<b>75,025,100</b>	<b>(82,842,518)</b>	<b>(7,817,418)</b>
Balance as at January 1, 2022	75,025,100	(82,842,518)	(7,817,418)
Total comprehensive loss for the period ended June 30, 2022	-	(4,152,875)	(4,152,875)
<b>Balance as at June 30, 2022</b>	<b>75,025,100</b>	<b>(86,995,393)</b>	<b>(11,970,293)</b>
Balance as at July 1, 2022	75,025,100	(86,995,393)	(11,970,293)
Total comprehensive income for the period ended December 31, 2022	-	64,052,833	64,052,833
<b>Balance as at December 31, 2022</b>	<b>75,025,100</b>	<b>(22,942,560)</b>	<b>52,082,540</b>

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

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

*A. Rauf*  
**ABDUL RAUF**  
**Chief Financial Officer**

*Momiza Hanif Bawany*  
**MOMIZA HANIF BAWANY**  
**Director**

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

		December 31, 2022	December 31, 2021
	Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		64,052,833	(4,901,598)
<b>Adjustments for:</b>			
Depreciation		48,994	54,136
Gain on revaluation of other financial assets		(1,364)	(426)
Finance cost		8,127	3,710
Operating cash outflows before working capital changes		64,108,590	(4,844,178)
<b>Working capital changes</b>	<b>14</b>	<b>(3,211,543)</b>	<b>(486,336)</b>
<b>Net cash generated from / (used in) operations</b>		<b>60,897,047</b>	<b>(5,330,514)</b>
Finance cost paid		(8,127)	(3,710)
Income tax paid		(10,834)	(27,955)
<b>Net cash generated from / (used in) operating activities</b>		<b>60,878,086</b>	<b>(5,362,179)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to equipment		(81,500)	-
Proceeds from disposal of assets		83,100,269	3,571,200
<b>Net cash generated from investing activities</b>		<b>83,018,769</b>	<b>3,571,200</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term deposits - liabilities - net		(150,000)	916,750
Due to related parties		(9,612,044)	816,809
<b>Net cash (used in) / generated from financing activities</b>		<b>(9,762,044)</b>	<b>1,733,559</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>134,134,811</b>	<b>(57,420)</b>
Cash and cash equivalents at beginning of the period		241,109	74,177
<b>Cash and cash equivalents at end of the period</b>		<b>134,375,920</b>	<b>16,757</b>

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

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

*A. Rauf*  
**ABDUL RAUF**  
 Chief Financial Officer

*Momiza*  
**MOMIZA HANIF BAWANY**  
 Director

**BAWANY AIR PRODUCTS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 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 registered office of the Company is situated at Khasra No. 52/53 R.C.D. Highway, Mouza Pathara, Tehsil Hub, Lasbella District, Balochistan. However, the correspondence office of the Company is office no. 16-C, Second Floor, Nadir House, I.I. Chundrigar Road, Karachi and the Company has initiated the process to temporary shift its registered office from Balochistan to Sindh.

**2 BASIS OF PREPARATION**

The condensed interim financial statements has been prepared for the half year ended December 31, 2022 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 provisions of or directives issued under the Companies Act, 2017 are being prevailed.

These condensed interim financial statements 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 statements does not include all the information and disclosures as required for preparation of annual financial statements therefore, it should be read in conjunction with the annual audited financial statement for the year ended June 30, 2022.

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

The preparation of condensed interim financial statements 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 statements 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, 2022.

**Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

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**BAWANY AIR PRODUCTS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	<b>Un-audited</b>	<b>Audited</b>
	<b>December 31,</b>	<b>June 30,</b>
	<b>2022</b>	<b>2022</b>
	----- Rupees -----	
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating property, plant and equipment	<u><b>892,676</b></u>	<u><b>860,170</b></u>

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	----- Rupees -----			
Depreciation charged during the period	<u><b>48,994</b></u>	<u><b>54,136</b></u>	<u><b>26,534</b></u>	<u><b>27,068</b></u>

	<b>Un-audited</b>	<b>Audited</b>
	<b>December 31,</b>	<b>June 30,</b>
	<b>2022</b>	<b>2022</b>
	----- Rupees -----	
<b>5 CASH AND BANK BALANCES</b>		
Cash in hand	<b>236,090</b>	234,779
Cash at bank	<u><b>134,139,830</b></u>	<u><b>6,330</b></u>
	<u><b>134,375,920</b></u>	<u><b>241,109</b></u>

<b>6 NON-CURRENT ASSETS HELD FOR SALES</b>		
Freehold land	-	90,000,000
Building on freehold land	-	23,170,000
Plant and machinery	-	<u><b>9,930,268</b></u>
	<u><b>-</b></u>	<u><b>123,100,268</b></u>

**7 LIABILITY AGAINST NON-CURRENT ASSETS FOR SALE**

The agreement of of July 2020 for the sale of land, building and certain items of plant and machinery has been concluded during the period July 2022 to December 2022 as the management of the Company and the counter party have unconditionally agreed and settled the dispute out of Court. Also, on receipt of the balance payment in September 2022, the Company transferred the subject assets to the buyer resulting in an surplus of Rs.68.90 million.

**8 CONTINGENCIES AND COMMITMENTS**

**8.1 Contingencies**

In the previous year, the Company entered into an agreement to sell its property and certain parts of plant and equipment. However, a Suit No. 51/2021 was filed by the buyer against the Company before the Senior Civil Judge Lasbela at Hub for claiming "Declaration, Specific Performance of Agreement and Permanent Injunction" along with the application for ad-Interim Stay, on suit property of the Company, During the period from July 2022 to December 2022, the above case has been disposed off / dismissed, as unconditionally withdrawn, and settled out of Court by both the parties, in September 2022.

**8.2 Commitments**

There was no commitments as at December 31, 2022 (June 2022: Nil)

*Signature*

**BAWANY AIR PRODUCTS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
-----Rupees-----				
<b>9 ADMINISTRATIVE EXPENSES</b>				
Directors' remuneration and other benefits	1,840,845	1,684,453	872,099	838,905
Salaries and benefits	1,613,470	1,308,724	927,320	662,007
Electricity, gas and water	125,902	53,141	55,064	29,019
Repairs and maintenance	231,375	73,995	181,400	34,755
Rent, rates and taxes	273,498	273,498	136,749	136,749
Traveling and conveyance	80,950	72,740	44,080	39,160
Vehicles running and maintenance	190,058	100,728	90,723	55,058
Entertainment	1,555	2,185	1,460	1,625
Communication	90,761	74,141	40,564	35,188
Printing and stationery	50,359	44,740	46,018	40,516
Legal and professional charges	705,555	55,550	705,555	-
Auditors' remuneration	175,500	175,500	87,750	175,500
Fees, subscription and periodicals	431,456	606,373	65,228	75,787
Advertisement	103,500	41,173	103,500	41,173
Depreciation	48,994	54,136	26,534	27,068
Others	47,581	27,397	47,578	27,398
	<u>6,011,359</u>	<u>4,648,474</u>	<u>3,431,622</u>	<u>2,219,908</u>

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
-----Rupees-----				
<b>10 OTHER OPERATING EXPENSES</b>				
Salaries, wages and benefits	379,468	998,667	437,149	400,011
Electricity and water	57,800	173,740	-	173,740
Others	700,562	548,778	85,028	217,950
	<u>1,137,830</u>	<u>1,721,185</u>	<u>522,177</u>	<u>791,701</u>

**11 OTHER INCOME**

In the month of September 2022, the agreement for sale of land, building and certain items of machinery was concluded and the counter-party agreed to unconditionally settle and honor the sale agreement. On receipt of balance payment, the Company transferred the land, building and machinery to the buyer, resulting in a surplus of Rs. 68.9 million.

**12 FINANCE COST**

Mark-up on due to Provident Fund (Note: 1)	1,122	2,430	561	1,895
Bank charges	7,005	1,280	6,650	470
	<u>8,127</u>	<u>3,710</u>	<u>7,211</u>	<u>2,365</u>

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

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**BAWANY AIR PRODUCTS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**13 TAXATION**

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

**14 WORKING CAPITAL CHANGES**

	<b>Unaudited</b>	
	<b>December 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
	----- Rupees -----	
<b>(Increase) / decrease in current assets</b>		
Trade debts	-	-
Advances and other receivables	(5,227)	394,372
<b>Increase in current liabilities</b>		
Trade and other payables	(1,707,018)	32,989
Accrued liabilities	(1,499,298)	1,327,530
Payable to provident fund	-	-
Provisions K-Electric	-	(2,241,227)
	<u>(3,211,543)</u>	<u>(486,336)</u>

**15 TRANSACTIONS WITH RELATED PARTIES**

The related parties include associated undertaking Bawany Management Limited, 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 than those disclosed elsewhere in the financial statements are as under:

	<b>Unaudited</b>	
	<b>December 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
	----- Rupees -----	
<b>Associated undertakings</b>		
Organization charges paid	273,498	273,498
Loan re-paid to associated undertaking	<u>6,512,025</u>	<u>6,535</u>
<b>Transactions with key management personnel</b>		
Salaries, benefits and other allowances	<u>1,840,845</u>	<u>1,684,453</u>
<b>Other related parties</b>		
Amount received / paid as liability	9,612,044	816,809
Contribution made by the Company to retirement benefit plan	57,780	70,800
Payment made to retirement benefit plan	<u>134,682</u>	<u>47,560</u>

**16 FINANCIAL RISK MANAGEMENT**

The Company's financial management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2022.

*Signature*

**BAWANY AIR PRODUCTS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**17 GENERAL**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2022, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended December 31, 2021. Corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of comparison and better presentation, the effect of which is not material.

Figures presented in these condensed interim financial statements have been rounded off to the nearest of a Rupee, unless otherwise stated.

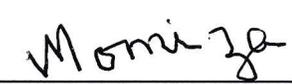
**18 DATE OF AUTHORIZATION FOR ISSUE**

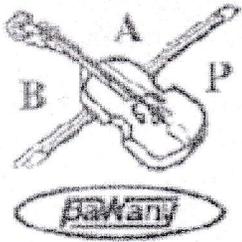
This condensed interim financial statements was authorised for issue on February 27, 2023 by the Board of Directors of the Company.

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M. HANIF Y. BAWANY  
Chief Executive Officer

  
ABDUL RAUF  
Chief Financial Officer

  
MOMIZA HANIF BAWANY  
Director



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