

**BAWANY AIR  
PRODUCTS LIMITED**

**QUARTERLY REVIEW  
MARCH 31, 2023  
(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 Jogezeai  
Mr. Zakaria A. Ghaffar  
Mr. Muhammad Danish

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

United Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Meezan Bank Limited

### 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**

### **For the third quarter ended March 31, 2023**

ASSALAM-O-ALAIKUM

We are pleased to present the un-audited financial statements of the Company for the third quarter ended March 31, 2023 along with our review of the Company's performance throughout these nine months.

#### **Industry overview**

The economic conditions of Pakistan are not stable, which is affecting all the industries and businesses. The constant devaluation of the rupee, hike in interest rates, and finally the political uncertainty has caused confusion and chaos in all segments of the business community. The present government is trying to remain in and to implement the IMF program, but the political instability and lack of a clear strategy are the main hurdles that foreign lenders and friendly countries are reluctant to help Pakistan.

#### **Operational performance of the Company**

The overall performance of the Company is comparatively quite better, given the fact that sale proceeds from disposal of property, plant and certain items of machinery are still intact with the Company and the Company has started to repay the long outstanding liabilities gradually. As part of that, the long-term deposits have been reduced by Rs. 4.6 million, the related parties were paid to the extent of Rs. 9.5 million and the accrued liabilities of Rs.3.0 million were also paid, totaling to Rs.17.1 million. Subsequent to period end, more liabilities have also been paid out of long-term deposits and the management intends to pay off these liabilities before 30 June 2023.

#### **Financial highlights**

An analysis of the nine months' performance is as follows, which shows the minimum possible expenses to keep the Company alive.

<b>Description</b>	<b>Nine months ended</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Administrative expenses	7,585,980	6,589,817
Other operating expenses	2,073,684	1,954,355
Net income / (loss) for the period	61,556,380	(7,703,229)

The net income in the nine-month period ended March 2023 is only due to surplus proceeds from disposal of property, plant and certain items of machinery. No revenue generation activities were carried out during the period.

#### **Future Outlook and Going Concern Assumption**

The current economic environment is not suitable even for existing business; therefore, any new venture is not likely to succeed. Accordingly, the management will hold onto the funds and will remain cautious of any business opportunity and will decide based on the return on investment and other aspects. The

management expects that the political and economic situation will become clear by next quarter and accordingly, the Board of Directors will decide the way forward for the next line of business, as per the Memorandum and Articles of Association.

### **Acknowledgment**

The management has strong faith in Almighty ALLAH and appreciates the support and trust shown by the shareholders.

On behalf of the Board



M. Hanif Y. Bawany  
Chief Executive Officer



Mikhail Bawany  
Director

Karachi  
Dated: 27 April 2023

ڈائریکٹرز رپورٹ برائے ممبران  
برائے سہ ماہی ختمہ 31 مارچ 2023

السلام علیکم!

ہم کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے برائے ختمہ 31 سہ ماہی مارچ 2023 کے ساتھ ان نو ماہ میں کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

صنعتی جائزہ

پاکستان کے معاشی حالات مستحکم نہیں ہیں جس کی وجہ سے تمام صنعتیں اور کاروبار متاثر ہو رہے ہیں۔ روپے کی قدر میں مسلسل کمی، شرح سود میں اضافہ اور آخر میں سیاسی غیر یقینی صورتحال نے کاروباری برادری کے ہر شعبے میں ابتری اور افراتفری پیدا کر دی ہے۔ موجودہ حکومت IMF کے پروگرام کو نافذ کرنے کی کوشش کر رہی ہے لیکن سیاسی عدم استحکام اور واضح حکمت عملی کے فقدان کی وجہ سے غیر ملکی قرض دہندگان اور دوست ممالک پاکستان کی مدد کرنے سے ہچکچا رہے ہیں۔

کمپنی کی کاروباری کارکردگی

زمین و عمارت، پلانٹ اور مشینری کی مخصوص اشیاء کی فروخت سے حاصل ہونے والی رقم جو ابھی تک کمپنی کے پاس موجود ہے، اس کو مد نظر رکھتے ہوئے کمپنی کی مجموعی کارکردگی نسبتاً بہتر رہی اور کمپنی نے بتدریج طویل مدتی واجبات کو ادا کرنا شروع کر دیا ہے۔ جس کے نتیجے میں طویل مدتی ڈپازٹس (جمع شدہ رقومات) میں 4.6 ملین روپے کی کمی ہوئی، ملحقہ پارٹیوں کو 9.5 ملین روپے تک کی ادائیگی کی گئی اور ادائگی طلب واجبات 3.0 ملین روپے بھی ادا کئے گئے، اس طرح کل 17.1 ملین روپے ادا کئے گئے۔ اس مدت کے اختتام کے بعد طویل مدتی ڈپازٹس کے مزید واجبات بھی ادا کر دیئے گئے ہیں اور انتظامیہ کا ارادہ ہے کہ ان واجبات کو 30 جون 2023 سے قبل مکمل ادا کر دے۔

مالیاتی جھلکیاں

نو ماہی کارکردگی کا ایک تجزیہ درج ذیل ہے جس میں کمپنی کو چلتا ہوا رکھنے کے لئے کم از کم ممکنہ اخراجات دکھائے گئے ہیں:

نو ماہی مدت		تفصیل
31 مارچ 2022	31 مارچ 2023	
6,589,817	7,585,980	انتظامی اخراجات
1,954,355	2,073,684	دیگر کاروباری اخراجات
(7,703,229)	61,556,380	خالص آمدن/ (خسارہ) برائے مدت

نو ماہی مدت ختمہ مارچ 2023 کی خالص آمدنی زمین و عمارت، پلانٹ اور مشینری کی مخصوص اشیاء کی فروخت سے حاصل ہونے والی اضافی رقومات کی وجہ سے ہے۔ اس مدت کے دوران آمدن پیدا کرنے والی کوئی سرگرمی انجام نہیں دی گئی۔

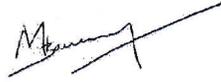
مستقبل کی پیش بینی اور چلتے ہوئے ادارے کا مفروضہ

موجودہ معاشی ماحول چلتے ہوئے کاروبار کے لئے بھی موزوں نہیں ہے لہذا کسی نئے کاروبار کی کامیابی کا امکان نہیں ہے۔ لہذا انتظامیہ فنڈز کو اپنی تحویل میں رکھے گی اور کسی کاروباری مواقع پر محتاط انداز اپنائے گی اور سرمایہ کاری منفعیت اور دیگر پہلوؤں کی بنیاد پر فیصلے کرے گی۔ انتظامیہ کو توقع ہے کہ سیاسی اور معاشی صورتحال اگلی سہ ماہی تک واضح ہو جائے گی اور لہذا بورڈ آف ڈائریکٹرز مستقبل میں میمورینڈم اینڈ آرٹیکلز آف ایسوسی ایشن (قواعد و ضوابط اور اغراض و مقاصد) کے مطابق اگلے کاروباری منصوبے کا فیصلہ کرے گا۔

اعتراف

انتظامیہ اللہ رب العزت پر مکمل یقین رکھتی ہے اور حصص یافتگان کے تعاون اور اعتماد پر ان کی مشکور ہے۔

منجانب بورڈ



میخائل بادانی  
ڈائریکٹر



ایم حنیف والی بادانی  
چیف ایگزیکٹو آفیسر

کراچی

مورخہ: 27 اپریل 2023

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Unaudited March 31, 2023	Audited June 30, 2022
Note	Rupees	
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	4 892,676	860,170
Long-term deposits	2,342,084	2,342,084
<b>Current Assets</b>		
Advances and other receivables	1,640,492	1,635,265
Sales tax refundable	824,547	824,547
Investments	46,660	45,297
Taxation - net	6,070,922	6,056,796
Cash and bank balances	125,933,087	241,109
	134,515,708	8,803,014
Non-current assets held for sale	-	123,100,268
<b>Total Assets</b>	<b>137,750,468</b>	<b>135,105,536</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
Accumulated loss	(25,439,013) 49,586,087	(86,995,393) (11,970,293)
<b>Non Current Liabilities</b>		
Long-term deposits	40,554,056	45,166,660
<b>Current Liabilities</b>		
Trade and other payables	2,275,111	3,983,010
Accrued liabilities	23,854,355	26,903,256
Unclaimed dividend	717,420	717,420
Due to related parties	20,763,439	30,305,483
Liabilities against non-current assets for sale	-	40,000,000
	47,610,325	101,909,169
Contingencies and Commitment	9	
<b>Total Equity and Liabilities</b>	<b>137,750,468</b>	<b>135,105,536</b>

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

  
**MIKHAIL BAWANY**  
 Director

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Note	Nine months period ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees		Rupees	
Sales - net		-	-	-	-
Cost of sales		-	-	-	-
Gross (loss) / profit		-	-	-	-
Other income		71,224,850	1,490,330	16,065	18,985
Unrealized gain / (loss) on revaluation of other financial assets		1,364	426	-	-
		71,226,214	1,490,756	16,065	18,985
Administrative expenses		(7,585,980)	(6,589,817)	(1,574,621)	(1,941,343)
Other operating expenses	5	(2,073,684)	(1,954,355)	(935,854)	(233,170)
Finance cost - net	6	(10,170)	(19,813)	(2,043)	(16,103)
Loss before taxation		61,556,380	(7,073,229)	(2,496,453)	(2,171,631)
Provision for taxation - current	7	-	-	-	-
Loss for the period		61,556,380	(7,073,229)	(2,496,453)	(2,171,631)
<b>Remeasurment of non-current assets held for sale</b>					
Loss on remeasurement - other assets		-	-	-	-
Net loss for the period		61,556,380	(7,073,229)	(2,496,453)	(2,171,631)
Earnings per share - basic and diluted		8.20	(0.94)	(0.33)	(0.29)

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

  
**MIKHAIL BAWANY**  
Director

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2022</u>
	----- Rupees -----		----- Rupees -----	
Loss for the period	<b>61,556,380</b>	<b>(7,073,229)</b>	<b>(2,496,453)</b>	<b>(2,171,631)</b>
Total comprehensive loss for the year	<b>61,556,380</b>	<b>(7,073,229)</b>	<b>(2,496,453)</b>	<b>(2,171,631)</b>

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



**MIKHAIL BAWANY**  
Director

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

		March 31, 2023	March 31, 2022
		----- Rupees -----	
<b>A.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	Loss before taxation	61,556,380	(7,073,229)
	<b>Adjustments for:</b>		
	Depreciation	48,994	76,033
	Loss on revaluation of other financial assets	(1,363)	(427)
	Gain on disposal of assets	-	(140,195)
	Finance cost	10,170	19,813
	Operating cash flows before working capital changes	<u>61,614,181</u>	<u>(7,118,005)</u>
	<b>Working capital changes</b>	<u>(4,762,027)</u>	<u>772,601</u>
	<b>Net cash used in from operations</b>	<u>56,852,154</u>	<u>(6,345,404)</u>
	Finance cost paid	(10,170)	(19,813)
	Income tax paid	(14,126)	(42,729)
	<b>Net cash used in operating activities</b>	<u>56,827,858</u>	<u>(6,407,946)</u>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Addition to equipment	(81,500)	-
	Proceeds from disposal of assets	83,100,268	3,780,700
	<b>Net cash generated from investing activities</b>	<u>83,018,768</u>	<u>3,780,700</u>
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Long-term deposits - liabilities - net	(4,612,604)	1,574,250
	Due to related parties	(9,542,044)	1,408,857
	<b>Net cash generated from financing activities</b>	<u>(14,154,648)</u>	<u>2,983,107</u>
	<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<u>125,691,978</u>	<u>355,861</u>
	Cash and cash equivalents at beginning of the period	<u>241,109</u>	<u>74,177</u>
	<b>Cash and cash equivalents at end of the period</b>	<u><u>125,933,087</u></u>	<u><u>430,038</u></u>

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

  
**MIKHAIL BAWANY**  
Director

**BAWANY AIR PRODUCTS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	----- Rupees -----		
Balance as at July 1, 2021	75,025,100	(77,940,920)	(2,915,820)
Total comprehensive income for the nine months period ended March 31, 2022	-	(7,073,229)	(7,073,229)
<b>Balance as at March 31, 2022</b>	<b>75,025,100</b>	<b>(85,014,149)</b>	<b>(9,989,049)</b>
Balance as at July 1, 2022	75,025,100	(86,995,393)	(11,970,293)
Total comprehensive income for the nine months period ended March 31, 2023	-	61,556,380	61,556,380
<b>Balance as at March 31, 2023</b>	<b>75,025,100</b>	<b>(25,439,013)</b>	<b>49,586,087</b>

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



**MIKHAIL BAWANY**  
Director

**BAWANY AIR PRODUCTS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

**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, 2nd 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 information has been prepared for the nine months period ended March 31, 2023 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 information 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, 2022.

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

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect 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, 2022.

**4 PROPERTY, PLANT AND EQUIPMENT**

Operating property, plant and equipment

Un-audited March 31, 2023	Audited June 30, 2022
----- Rupees -----	

892,676	860,170
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4.1 Additions to property, plant and equipment during the period were Rs. Nil (June 30, 2022: Rs.Nil) and disposals there from at net book value were Rs. Nil (June 30, 2022: Rs.69,544).

Nine months ended		Quarter ended	
March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
-----Rupees-----			

**5 OTHER OPERATING EXPENSES**

Salaries, wages and benefits	1,291,778	1,352,012	912,310	353,345
Electricity and water	57,800	(278,931)	-	(452,671)
Others	724,106	881,274	23,544	332,496
	2,073,684	1,954,355	935,854	233,170

**6 FINANCE COST**

Markup on due to Provident Fund	1,654	18,083	532	15,653
Bank charges	8,516	1,730	1,511	450
	10,170	19,813	2,043	16,103

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

7 **TAXATION**

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

8 **WORKING CAPITAL CHANGES**

	Unaudited	
	March 31, 2023	March 31, 2022
	----- Rupees -----	
<b>(Increase) / decrease in current assets</b>		
Advances and other receivables	(5,227)	431,857
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	(1,707,899)	(5,011)
Provisions	-	(2,168,552)
Accrued liabilities	(3,048,901)	2,331,384
Payable to provident fund	-	182,923
	<u>(4,762,027)</u>	<u>772,601</u>

9 **CONTINGENCIES AND COMMITMENTS**

There were no contingencies or commitments as at March 31, 2023.

10 **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 than those disclosed elsewhere in the financial statements are as under:

	Unaudited	
	March 31, 2023	March 31, 2022
	----- Rupees -----	
<b>Associated undertakings</b>		
Organization charges paid	403,345	410,247
Long-term loan re-paid to associated undertaking	6,512,025	6,535
<b>Transactions with key management personnel</b>		
Salaries, benefits and other allowances	2,976,411	2,771,377
<b>Other related parties</b>		
Contribution made by the Company to retirement benefit plan	97,459	106,200

11 **DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorised for issue on 27 April 2023 by the Board of Directors of the Company.

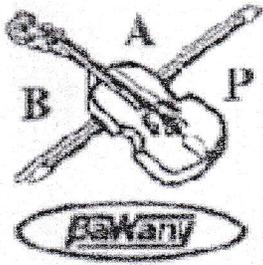
12 **GENERAL**

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

  
MIKHAIL BAWANY  
Director



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**PRODUCTS LIMITED**

**16-C, 2nd Floor, Nadir House,**

**I.I. Chundrigar Road,**

**Karachi**