

BAWANYAIR
PRODUCTS LIMITED

FORTY FIFTH
ANNUAL REPORT
2022-2023

TRIBUTE TO HONORABLE CHAIRMAN MR. YAHYA AHMED BAWANY 1925-2009



This is a small tribute in the honor of Mr. Yahya Ahmed Bawany (SQA). He passed away peacefully on Monday 12th January, 2009 at the age of 84. The first industry of the Bawany Group in Pakistan was set up by Seth Ahmed Ibrahim Bawany of Rangoon Burma (Myanmar) soon after Pakistan's Independence in Karachi, known as Bawany Violin Textile Mills. Thereafter his son Yahya Ahmed Bawany born in 1925 at Rangoon Burma (Myanmar) was instrumental in setting up all the other industries of the Bawany Group from 1953 to 1971 making the group an industrial giant. Some of the industries are listed here. Latif Bawany Jute Mills and Ahmed Bawany Textile Mills (These two industries employed over 10,000 workers), Eastern Chemical Industries, Eastern Tubes (Toshiba), Bella Artifitex, Oriental Water Works (barges and ship lightening), Bawany Tea Estate, Bawany Coconut Estates, ABL Brick Fields, RR Textiles Mills, Khulna Textile Mills. Further he got sanction permission to set up Bawany Sugar Mills in Badin, Balotra Textile Mills, Annoor Textile Mills and Medina Textile Mills in the Mid 1960's. After 1971 and the independence of Bangladesh he set up Al-Ameen Textile Mills, Kotri (The first Toyada Open-end Spinning in Pakistan). Then he acquired Paramount Limited (electric tube lights and bulbs). Yusuf Industries (artificial leather). He then went up to set up his last two industries namely Latif Jute Mills Limited and Bawany Air Products Limited (Industrial gases). Yahya Ahmed Bawany besides being a successful industrialist was also involved in social and philanthropic work, he established Ahmed Bawany Academy and Bawany High School in Dhaka. Ahmed Bawany Academy and Kaka Bawany Vocational Centre in Karachi. Some of his other achievements are listed below:

- Founder and Former President of All Pakistan Jute Mills Association, East Pakistan.
- Founder and Former President of All Pakistan textile Mills Association, Pakistan.
- Founder and Former President of Dhaka Chamber of Commerce and Industry.
- Founder and Former President Narayanganj Chamber of Commerce.
- Former President Pakistan Memon Educational and Welfare Society.
- Former President of Jetpur Memon Jamat.
- Co-founder and serving President of United Memon Jamat.
- Founder member of Jetpur Memon Relief Society.
- Former Co-founder Trustee and member of World Memon Foundation.
- Former Chairman and Member of Managing Committee of Aisha Bawany Wakf.
- Founder Chairman AAL Bawany Foundation.
- Served as founding member of the Managing Committee of Federation of Pakistan Chamber of Commerce & Industry (FPCCI) representing former East Pakistan.
- Member of Advisory Council Federal Ministry of Commerce, Eastern Wing.
- Member of Advisory Council Federal Ministry of Industry, Eastern Wing.
- Member of Advisory Council Federal Ministry of Finance, Eastern Wing.
- Chairman of refugees Rehabilitation and Finance Corporation Dhaka, Former East Pakistan.
- Chairman of Lal Bagh Madrassa Dhaka.
- Sponsor and Secretary General of Baitul Mukarram Mosque (National Mosque of Bangladesh, Dhaka). It was built under his personal supervision from inception.
- He was awarded the SITARA-E-QUAID-E-AZAM (SQA) one of the highest Civilian Awards for his social services.

We are grateful to Jetpur Memon Relief Society for announcing of naming of a building of a block of flats in Gulshan-e-Iqbal as "Yahya Ahmed Bawany Building".

Please recite Surah-e-Fateha for his departed soul.

BAWANYAIR

PRODUCTS LIMITED

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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 Independent - Non Executive Director Independent - Non Executive Director Independent - Non 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 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	
OFFICE	16-C, 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi Tel: 021-32400440-41	

BAWANY AIR PRODUCTS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Fifth Annual General Meeting of the Company will be held at the head office Room No.16-C, 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi, Sindh on Thursday 26th October 2023 at 02:00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 44th AGM held on November 28th, 2022.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2023 together with Directors and Auditor's Report thereon.
3. To appoint auditors for the year 2023-2024 and fix their remuneration.
4. Transact any other business with permission of chair.

Karachi: September 28, 2023

**By order of the Board
Company Secretary**

NOTES:

1. The register of members of the Company shall remain closed from October 19, 2023 to October 26 2023 (both days inclusive).
2. Members are requested not to bring spouse, children or any other accompany.
3. Attendance of Members who have deposited their shares into the CDC shall be in accordance with the following mandatory requirements:
 - a) Individual Members must bring their "Participant's ID Number", together with their Account/Sub-account number and original valid CNIC or Passport at the time of attending the Meeting
 - b) For corporate entity, presentation of a certified copy of the Board Resolution/ Power of Attorney with specimen signatures and attested copy of valid CNIC of the person nominated by the corporate entity to represent and vote on its behalf, shall be submitted
4. Members are requested to notify any change in their notified addresses immediately. Members holding shares in physical form are requested to notify the Company's Share Registrar promptly of changes in their notified address.
5. Members, who have not yet submitted a copy of their valid CNIC or Passport to the Company, are once again reminded to send the same at the earliest either to the Company or to the Share Registrar. The CNIC/NTN details is now mandatory and is required for checking the tax status as per the Active Tax Payers List issued by the FBR from time to time.
6. Individual Members (including all joint holders) holding physical share certificates of the Company are therefore requested to submit a copy of their valid CNIC to the Company or its Share Registrar if not already provided. The shareholders while sending CNIC must quote their respective folio numbers.
7. In cases of non-receipt of the copy of a valid CNIC, the Company would be constrained U/S 243 (3) of the Companies Act, 2017 ("the Companies Act") to withhold dividend of such shareholders.

8. Attendance through Proxy

- a) Proxy Form(s) must be deposited at Company's Share Registrar's office not less than forty-eight (48) hours (excluding holidays) before the time of the Meeting. Proxy Form(s) received after the said forty eight (48) hours i.e. after 02:00 p.m. on 24th day of October 2023 (being Friday), will not be treated as valid.
- b) Attested copies of valid CNIC or the valid Passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- c) In case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signatures and attested copy of valid CNIC of the person nominated by the corporate entity to represent and vote on its behalf, shall be submitted to the Company's Share Registrar
- d) The Proxy shall produce his/her original valid CNIC or Passport at the time of the Meeting
- e) A specimen Proxy Form is available on Company's website

CHAIRMAN's REVIEW

In the name of ALLAH, the Most Merciful and the Most Benevolent.

Dear Shareholders,

I am pleased to enclose the financial statements of our Company for the year ended June 30, 2023. The financial performance of the Company has not changed significantly from last year as there was no revenue and the expenses are to the minimum possible level.

Overview of performance of the Company and the Board

In the current year, the successful conclusion of the agreement to sell the land, building, and plant and machinery in September 2022. The buyer, ABC Marine Services (Private) Limited, agreed to a final price of Rs. 215 million for these assets. During the year, the buyer made a payment of Rs. 152.5 million and set off liability against non-current asset held for sale of Rs. 40 million, after which the title of all the assets was transferred to them. The disposal of these assets was done by mode of negotiation, resulting in a gain of Rs. 69.4 million for the Company.

The management immediately started paying off the long outstanding liabilities and consequently, the liabilities have come down from Rs. 101 million to Rs. 46 million dropped by 54%. It continues to decrease, as by the end of 1st Quarter September 2023, these liabilities have further decreased to Rs. 11 million dropped by 76% and the target of the management is to completely pay off all the liabilities by next year-end.

There is no change in operations of the Company and the financial performance is consistent with last year. There was no revenue since the business conditions are not viable at all owing to political and economical instability, continued devaluation of rupee, rising inflation, and uncertainty in price of international commodities like oil, metals.

During the year, the Company posted a profit of Rs. 59 million as against Rs. 9 million loss of last year. The management has curtailed all the expenses to minimum possible level and is hardly managing the working capital.

Future plan

The successful conclusion of sale agreement is the key factor that will leave surplus funds in the Company, which will support for better options to utilized and management will explore any future business possibilities accordingly.

Performance evaluation

As required under the Code of Corporate Governance and in pursuance of SECP's guidelines, an evaluation process is carried out online internally to assess annual performance of the Board, members of the Board and its sub-committees as well as performance of the chief executive officer.

An evaluation session is carried out in the meeting of Board of Directors and individual members brief their performance and Company's expectations.

I am pleased to report that overall performance of the Board, its Committees and CEO of the Company for the year ended June 30, 2022, remained satisfactory. Especially the performance of CEO is exceptionally good since he managed to conclude the transaction of sale of assets in the best possible manner despite his deteriorating health. All the Board Members pray for his health and wellbeing and continue leading the management of the Company in this revival.

Change in the Board

There was no change in Board of Directors.

Frequency of the meetings

During the year four (4) meetings of the Board of Directors, four (4) meetings of its Audit Committee and four (4) meetings of the Human Resource Committee were held.

Composition of the Board

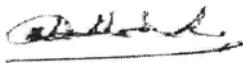
In pursuance of the Code, the Company encourages representation of Independent and Non-Executive Directors with gender diversity on its Board. The existing Board of the Company, comprising 7 (seven) members and having core competencies, diversity, requisite skills, knowledge, and experience, fulfils the criteria as considered relevant in the context of the company's operations. Details of the composition of the Board and its Committees are appearing in the "Statement of Compliance with Listed Companies Code of Corporate Governance".

Role of the Chairman

In my capacity as Chairman, I always try to ensure that:

- Board receives adequate, accurate, clear, complete, and reliable information in a timely manner.
- Board members are briefed on important and significant matters.
- All key issues are discussed in detail by the Board.

We remain grateful for the support, trust and confidence of all our stakeholders including our shareholders, employees and their families.



Vali Mohammad M. Yahya
Chairman

Karachi

Dated: September 28, 2023

DIRECTOR'S REPORT TO THE MEMBERS

Dear Shareholders,

Directors of your Company are pleased to present the Annual Report along with the audited financial statements for the year ended June 30, 2023.

OVERVIEW

The year ended June 30, 2023, revealed a significant turnaround as the Company managed to overcome the trend of continuous losses in previous years and turned to a positive footing of Rs. 59.388 million in the profit and loss account. This has also reduced the accumulated losses to Rs. 27.607 million.

This is all attributable to the successful conclusion of the agreement to sell the land, building, and plant and machinery in September 2022. The buyer, ABC Marine Services (Private) Limited, agreed to a final price of Rs. 215 million for these assets. During the year, the buyer made a payment of Rs. 152.5 million and set off liability against non-current asset held for sale of Rs. 40 million, after which the title of all the assets was transferred to them. The disposal of these assets was done by mode of negotiation, resulting in a gain of Rs. 69.4 million for the Company.

This positive financial condition is attributed to the strategic decision by the Company to dispose-off capital assets, to optimize resources. This initiative of the Chief Executive Officer, together with prudent financial management, has resulted in sufficient liquid cash reserves which was utilised to substantially reduce the long outstanding liabilities. In short, the Company's liquidity and overall financial health has improved significantly.

A comprehensive business plan with revised multiple opportunities and options, is in process and the management remains flexible and adaptable to the economic and business environment of the Country. The Board of Directors are cautious of the current economic turmoil, political uncertainty, and inflationary pressures, and accordingly, have advised the management for careful consideration of all available options to protect the interest of all shareholders.

The Financial Highlights of the Company as compared to last year are as follows:

Description	2023	2022
	Rupees	
Current Assets	93,267,707	8,803,014
Current Liabilities	46,663,045	101,909,169
Equity	47,417,768	(11,970,293)
Profit / (loss) after taxation for the year	59,388,061	(9,054,473)
Net increase in cash and cash equivalents	83,749,264	166,932

FROM ABOVE TABLE, WE CAN ANALYSE THE PERFORMANCE AS FOLLOWS:

- The current assets have increased due to receipt of sale proceeds of land, building and plant & machinery in the bank account of the Company.
- The management immediately started paying off the long outstanding liabilities and consequently, the liabilities have come down from Rs. 101 million to Rs. 46 million dropped by 54%. It continues to decrease, as by the end of 1st Quarter September 2023, these liabilities have further decreased to Rs. 11 million dropped by 76%

and the target of the management is to completely pay off all the liabilities by next year-end.

- The accumulated losses have decreased significantly, and the equity is positive by Rs. 47 million, which shows a stable financial health of the Company.
- Profit for the year is attributed to the surplus from disposal of assets and that is basically actual liquid cash that the Company has in its bank account, which at first is being used to pay off the outstanding liabilities and rest will be utilised in new business opportunities.

MATERIAL INFORMATION

As stated above, the matter for disposal of assets matters successfully concluded and the entire sale proceeds were received, and title of assets was transferred in September 2022. The litigation was also withdrawn as both parties agreed to the terms and conditions and resolved the matter mutually.

The management has been regularly making payments to the provident fund. There is no outstanding balance at year end and the management gives high priority to these payments so that these are processed without any delay, in-line with the instructions and requirements of the SECP.

Keeping in consideration the political and economic stability, and subject to payment of all outstanding liabilities, the Board will consider equity capital investment from the close family members or external investors, as the case may be.

AUDIT REPORT AND MANAGEMENT COMMENTS THEREON

We are pleased to inform that in the year 2023, the audit opinion is clean with no adverse opinion or qualification. This is all attributed to the efforts of management, leadership of the Chief Executive Officer and successful conclusion of the sale agreement through which the auditors were convinced to issue a clean opinion with an emphasis of matter paragraph on the going concern.

The auditors have added an emphasis of matter paragraph in the audit report where the auditors have drawn attention to notes 2.2 and 1.3, to the financial statements, which reflects that the Company has managed to reduce the accumulated losses to Rs. 27.607 million as compared to Rs. 86.995 million in last year, due to sale of major parts of non-current asset. Since the year 2019, the name of the Company was placed on the default segment by PSX, there is a slight level of uncertainty regarding the Company's ability to continue as a going concern. Despite these challenges, the management has made a strategic decision to liquidate certain assets to secure financing for future business plan. Furthermore, the management of the Company is actively pursuing to complete the requirement from relevant authorities for removal from default segment of PSX. Additionally, the Directors of the Company have also assured to support the Company financially, as well as with professional expertise to manage the affairs of the Company. Considering these mitigating factors, the financial statements have been prepared on the assumption of a going concern. The opinion of the auditors is not modified in respect of the above matters.

The Board of Directors are thankful to the shareholders for their support and trust in the management which led to successful completion of this sale agreement, and we are all hopeful that it will improve the liquidity issues of the Company and it will have ample cash reserves to start a new business.

We are very thankful to almighty ALLAH that there has been a significant progress on accounting and financial matters owing to successful completion of sale of assets and discharge of liabilities. The trust of regulatory authorities, auditors and shareholders will increase, and the management is hopeful that it will revive the performance of the Company.

KEY OPERATING AND FINANCIAL DATA FOR LAST 10 YEARS

Year	Sales - net	Gross profit / (loss)	Profit / (loss) before taxation	Shareholder's equity	Total current assets	Total current liabilities	Earnings per share
	----- Rupees in million -----						Rupees
2013	238.60	57.68	21.95	111.06	25.24	38.06	1.73
2014	123.79	(1.90)	(28.63)	90.16	20.99	62.49	(2.83)
2015	99.63	4.72	(18.30)	71.15	17.35	59.78	(2.57)
2016	94.43	5.12	(17.66)	58.00	17.82	63.43	(2.35)
2017	82.70	2.24	(19.14)	42.35	15.43	71.26	(2.14)
2018	89.08	4.39	15.35	62.58	16.22	79.66	(2.19)
2019	51.91	0.38	(19.82)	37.90	10.53	85.14	(1.93)
2020	12.80	(3.35)	(85.23)	15.22	8.93	94.14	(11.62)
2021	-	-	(18.14)	(2.92)	9.02	93.25	(2.42)
2022	-	-	(9.05)	(11.97)	8.80	101.90	(1.21)
2023	-	-	59.39	47.41	93.26	46.66	7.92

WAY FORWARD

The immediate target for the management is to first pay off the remaining liabilities at earliest and then get the name of Company out of Defaulter Segment of PSX. The management of the Company is in the process of writing to the PSX to remove the name of the Company from the defaulter segment based on compliance with all the PSX regulations.

The Directors and management are very cautious to take any step in these difficult times as the Country is going through super inflation, economic turmoil, and acute shortage of foreign investment and reserves. As soon as the conditions improve, management will finalize the business plan for review by the Board of Directors and will implement accordingly.

BOARD OF DIRECTORS

There was no change in the composition of Board of Directors during the year ended June 30, 2023.

AUDITORS

The present auditors, M/s. S. M. Suhail & Co. Chartered Accountants have retired and being eligible have offered themselves for reappointment as Auditors for the ensuing year.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- a) The financial statements prepared by the management of the Company present fairly the status of affairs, the result of its operations and cash flows and changes in equity;
- b) Proper books of accounts of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statement and accounting estimates are based on reasonable and prudent judgment;
- d) International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements;

- e) The system of internal control is sound in design and has been effectively implemented and monitored;
- f) Auditors have shown doubts about the Company's ability to continue as a going concern whereas the management feels that there is enough strength in the Company to carry on business in future.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations, exceptions, if any have been notified in the Statement of Compliance with the Code of Corporate Governance;
- h) Key operating and financial data for the last ten years have been summarized;

The Company contributed Rs. 18,131 in respect of direct taxes to national ex-chequer.

During the year 4 meetings of the Board of Directors were held. Attendance by each Director is as follows:

Name of the Directors	No. of meetings attended
Mr. M. Hanif Y. Bawany	4
Mrs. Momiza Hanif Bawany	4
Mr. Vali Mohammad M. Yahya	4
Mr. Mikhail Bawany	4
Mr. Wazir Ahmed Jomezai	1
Mr. Zakaria A. Ghaffar	4
Mr. Muhammad Danish	2

Leave of absence was granted to Director(s) who could not attend some of the Board meetings.

- i) The pattern of shareholding is annexed; and
- j) Neither the Chief Executive Officer nor any other Directors have purchased any shares of the Company.

ACKNOWLEDGEMENT

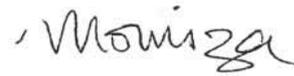
The Board wishes to express appreciation and place on record its gratitude for the faith reposed in and co-operation extended to the Company by the State Government, various Government agencies / Departments, Financial Institutions, Banks, Customers, Suppliers and Investors of the Company. Your Directors place on record their appreciation of the dedicated and sincere services rendered by the Employees of the Company.

We are grateful to our valued shareholders for the continuous support extended to the management.

On behalf of the Board



M. Hanif Y. Bawany
Chief Executive Officer



Momiza Hanif Bawany
Director

Karachi

Dated September 28, 2023

ڈائریکٹرز رپورٹ برائے ممبران

محترم حصص یافتگان!

کمپنی کے ڈائریکٹران کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے برائے مختتمہ مدت 30 جون 2023 بمع آڈٹ رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

جائزہ

کمپنی گزشتہ سالوں سے مسلسل خساروں کے رجحان پر قابو پانے میں کامیاب ہو گئی اور منافع و خسارہ کا کھاتہ 59.388 ملین روپے کی مثبت سطح پر آ گیا ہے۔ اس سے مجموعی خسارہ بھی کم ہو کر 27.607 ملین روپے رہ گیا ہے۔

اس کی بنیادی وجہ ستمبر 2022 میں زمین، عمارت اور پلانٹ و مشینری کی فروخت کے معاہدہ کی کامیاب تکمیل ہے۔ خریدار ABC میرین سروسز (پرائیویٹ) لمیٹڈ اثاثوں کے لئے ایک حتمی قیمت 215 ملین روپے پر رضامند ہو گیا۔ سال کے دوران خریدار نے 152.5 ملین روپے کی ادائیگی کی اور جامد اثاثے برائے فروخت کے 40 ملین روپے کے واجبات کی ادائیگی کر دی جس کے بعد اثاثوں کی ملکیت انہیں منتقل کر دی گئی۔ ان اثاثوں کی فروخت گفت و شنید سے ہوئی جس کے نتیجے میں کمپنی کو 69.4 ملین روپے کا منافع ہوا۔

مالی حالت مثبت ہونے کی وجہ وسائل سے بہتر انداز میں استفادہ کے لئے کمپنی کا سرمایہ جاتی اثاثوں کی فروخت کا کلیدی فیصلہ تھا۔ چیف ایگزیکٹو آفیسر کے اقدامات کے ساتھ ساتھ محتاط مالیاتی انتظام کے نتیجے میں کافی مقدار میں رواں نقدی کے ذخائر جمع ہو گئے جنہیں طویل مدتی واجبات کو کم کرنے میں استعمال کیا گیا۔ مختصر آئیہ کمپنی کی روانیت اور مجموعی مالیاتی استحکام میں قابل ذکر بہتری آئی۔

ایک جامع کاروباری ترمیم شدہ منصوبہ کثیر مواقع اور آپشنز کے ساتھ اس وقت زیر عمل ہے اور انتظامیہ ملکی معاشی اور کاروباری ماحول کے مطابق ڈھلنے کے لئے تیار ہے۔ موجودی معاشی بحران، سیاسی غیر یقینی صورتحال اور افراط زر کے دباؤ کی وجہ سے بورڈ آف ڈائریکٹرز محتاط ہے اور لہذا اس نے انتظامیہ کو تمام حصص یافتگان کے مفادات کو تحفظ فراہم کرتے ہوئے تمام دستیاب مواقع پر محتاط انداز میں غور و خوض کرنے کا مشورہ دیا ہے۔

گزشتہ سال کی بہ نسبت کمپنی کی مالیاتی جھکیاں درج ذیل ہیں:

2022	2023	تفصیل
روپے		
8,803,014	93,267,707	رواں اثاثے
101,909,169	46,663,045	رواں واجبات
(11,970,293)	47,417,768	ایکویٹی
(9,054,473)	59,388,061	سال کا منافع / (خسارہ) بعد از ٹیکس
166,932	83,749,264	نقد اور مساوی نقد میں خالص اضافہ

مندرجہ بالا ٹیبل سے ہم درج ذیل انداز میں کارکردگی کا تجزیہ کر سکتے ہیں:

☆ زمین، بلڈنگ اور پلانٹ و مشینری کی فروخت سے موصول ہونے والی رقم سے رواں اثاثوں میں اضافہ ہوا۔

☆ انتظامیہ نے فوری طور پر طویل مدتی واجبات ادا کرنے شروع کر دیئے اور اس کے نتیجے میں واجبات 101 ملین روپے سے کم ہو کر 46 ملین روپے رہ گئے یعنی 54 فیصد کمی ہوئی۔ پہلی سہ ماہی ستمبر 2023 کے اختتام تک ان میں مسلسل کمی ہوئی، ان واجبات میں مزید 11 ملین روپے کی کمی ہوئی، اس

طرح کل واجبات میں 76 فیصد کمی ہوئی اور ہدف یہ ہے کہ انتظامیہ اگلے سال کے اختتام تک تمام واجبات مکمل طور پر ادا کر دے گی۔

☆ مجموعی خساروں میں قابل ذکر کمی ہوئی اور ایکویٹی 47 ملین روپے تک پہنچ گئی، جس سے کمپنی کا مالیاتی استحکام ظاہر ہوتا ہے۔

☆ سال کے دوران منافع کی وجہ اثاثوں کی فروخت پر حاصل ہونے والا منافع ہے اور بنیادی طور پر اصل رواں نقدی ہے جو کہ کمپنی کے اپنے بینک اکاؤنٹ میں ہے جسے سب سے پہلے بقایا واجبات کی ادائیگی میں استعمال کیا جائے گا اور باقی رقم کونے کاروباری مواقعوں میں استعمال کیا جائے گا۔

اہم معلومات

جیسا کہ اوپر بیان کیا گیا ہے کہ اثاثوں کی فروخت کا معاملہ کامیابی سے مکمل ہو گیا ہے اور تمام قیمت فروخت موصول ہو گئی ہے اور اثاثوں کی ملکیت ستمبر 2022 میں منتقل کر دی گئی ہے۔ دونوں فریقین کے درمیان مقدمہ بازی بھی واپس لے لی گئی ہے اور معاملہ کو باہمی طور پر حل کر لیا گیا ہے۔

انتظامیہ باقاعدگی سے پروویڈنٹ فنڈ کی ادائیگیاں کر رہی ہے۔ سال کے اختتام تک اس مد میں کوئی رقم واجب الادا نہیں تھی اور انتظامیہ نے SECP کی ہدایات اور تقاضوں کے تحت ان ادائیگی کو زیادہ ترجیح دی تاکہ کسی تاخیر کے بغیر یہ عمل جاری رہے۔

سیاسی اور معاشی عدم استحکام اور تمام واجبات الادا واجبات کی ادائیگی کو مد نظر رکھتے ہوئے بورڈ ایکویٹی کے لئے سرمایہ جو بھی صورت حال ہو اپنے قریبی رشتہ داروں یا بیرونی سرمایہ کاروں سے حاصل کرے گا۔

آڈٹ رپورٹ اور اس پر انتظامیہ کی آراء

ہم مسرت کے ساتھ مطلع کرتے ہیں کہ سال 2023 میں آڈٹ رپورٹ میں کوئی ناموافق آراء یا اعتراضات نہیں ہیں۔ اس کی وجہ انتظامیہ کی کاوشیں، چیف ایگزیکٹو آفیسر کی قیادت اور معاہدہ فروخت کی کامیاب تکمیل ہے جس کی وجہ سے آڈیٹرز صاف ستھری رپورٹ جاری کرنے پر مائل ہو گئے جس میں چلتے ہوئے ادارے کے پیراگراف پر زور دیا گیا۔

آڈیٹرز نے اپنی آڈٹ رپورٹ میں جس معاملے پر زور دیا اس میں آڈیٹرز نے مالیاتی گوشواروں کے نوٹ نمبر 2.2 اور 1.3 پر توجہ دلائی ہے جس سے عکاسی ہوتی ہے کہ کمپنی اپنے جمع شدہ خساروں کو کم کرتے ہوئے 27.607 تک لانے میں کامیاب ہو گئی جو کہ گزشتہ سال 86.995 ملین روپے تھے، جس کی وجہ جامد اثاثوں کے بڑے حصے کی فروخت تھی۔ 2019 سے کمپنی کا نام PSX کی نادر ہندگان فہرست میں ہے جس کی وجہ سے کمپنی کے چلتے ہوئے ادارے کی صلاحیت میں معمولی سی غیر یقینی کیفیت ہے۔ ان تمام دشواریوں کے باوجود انتظامیہ نے مخصوص اثاثوں کو فروخت کرنے کا کلیدی فیصلہ کیا تاکہ مستقبل کے کاروباری منصوبے کے لئے سرمایہ حاصل ہو جائے۔ مزید برآں انتظامیہ متحرک طور پر PSX کی نادر ہندگان کی فہرست سے کمپنی کا نام نکلوانے کے لئے متعلقہ اداروں کے تقاضوں کی تکمیل کے لئے کوشاں ہے۔ اس کے ساتھ کمپنی کے ڈائریکٹران نے بھی کمپنی کو مالی تعاون کے ساتھ ساتھ پیشہ ورانہ مہارت فراہم کرنے کی یقین دہانی کرائی ہے تاکہ کمپنی کے معاملات کو چلایا جاسکے۔ ان تخفیفی عوامل کی وجہ سے مالیاتی گوشواروں کو چلتے ہوئے مفروضہ کی بنیاد پر تیار کیا گیا ہے۔ مذکورہ بالا معاملات کے حوالے سے آڈیٹرز کی رائے میں کوئی تبدیلی نہیں ہوئی ہے۔

بورڈ آف ڈائریکٹرز حصص یافتگان کے انتظامیہ کے ساتھ تعاون اور اعتماد پر ان کا مشکور ہے جس کے نتیجے میں معاہدہ فروخت کی کامیاب تکمیل ہوئی اور ہم امید کرتے ہیں کہ کمپنی کی روانیت کے مسائل میں بہتری آئے گی اور نئے کاروبار کو شروع کرنے کے لئے نقدی کے ذخائر حاصل ہوں گے۔

ہم اللہ رب العزت کے شکر گزار ہیں کہ اثاثوں کی فروخت کی کامیاب تکمیل کی وجہ سے اکاؤنٹنگ اور مالیاتی معاملات میں قابل ذکر پیشرفت ہوئی ہے اور اپنے واجبات سے عہدہ برآں ہوئے۔ انضباطی اداروں، آڈیٹرز اور حصص یافتگان کے اعتماد میں اضافہ ہوگا اور انتظامیہ کو قوی امید ہے کمپنی کی کارکردگی بحال ہو جائے گی۔

گزرشتہ 10 سالوں کے کاروباری اور مالیاتی اعداد و شمار

سال	فروخت - خالص	خام منافع / (خسارہ)	منافع / (خسارہ) قبل از ٹیکس	حصص یافتگان کی ایکویٹی	کل رواں اثاثے	کل رواں واجبات	فی حصص آمدن
	روپے بلین میں						روپے
2013	238.60	57.68	21.95	111.06	25.24	38.06	1.73
2014	123.79	(1.90)	(28.63)	90.16	20.99	62.49	(2.83)
2015	99.63	4.72	(18.30)	71.15	17.35	59.78	(2.57)
2016	94.43	5.12	(17.66)	58.00	17.82	63.43	(2.35)
2017	82.70	2.24	(19.14)	42.35	15.43	71.26	(2.14)
2018	89.08	4.39	15.35	62.58	16.22	79.66	(2.19)
2019	51.91	0.38	(19.82)	37.90	10.53	85.14	(1.93)
2020	12.80	(3.35)	(85.23)	15.22	8.93	94.14	(11.62)
2021	-	-	(18.14)	(2.92)	9.02	93.25	(2.42)
2022	-	-	(9.05)	(11.97)	8.80	101.90	(1.21)
2023	-	-	59.39	47.41	93.26	46.66	7.92

آگے کی جانب

انتظامیہ کے لئے فوری ہدف یہ ہے کہ سب سے پہلے جلد از جلد بقایا واجبات کی ادائیگی کرے اور پھر کمپنی کا نام PSX کی نادرہندگان کی فہرست سے نکلوائے۔ کمپنی کی انتظامیہ نے PSX ریگولیشنز کے تحت کمپنی کا نام PSX کی نادرہندگان فہرست سے نکلوانے کے لئے تحریری خط و کتابت جاری رکھی ہوئی ہے۔ ان مشکل اوقات میں کوئی قدم اٹھانے سے پہلے ڈائریکٹران اور انتظامیہ بہت زیادہ محتاط ہیں کیونکہ ملک اس وقت انتہائی بلند افراط زر، معاشی بحران اور بیرونی سرمایہ کاری اور ذخائر کی قلت سے گزر رہا ہے۔ جیسے ہی صورتحال بہتر ہوگی، انتظامیہ بورڈ آف ڈائریکٹرز کے جائزے کے بعد کاروباری منصوبے کو حتمی شکل دے گی اور اسی کے مطابق نافذ کرے گی۔

بورڈ آف ڈائریکٹرز

مختتمہ سال 30 جون 2023 کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ایس ایم سہیل اینڈ کو، چارٹرڈ اکاؤنٹنٹس سبکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے آنے والے سال کے لئے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

ادارتی اور مالیاتی رپورٹنگ فریم ورک پر بیان

a کمپنی کی انتظامیہ کے تحت تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

b کمپنی میں حسابات کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔

- c درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد محقول اور مضبوط فیصلوں پر ہے۔
- d مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کو ملحوظ خاطر رکھا گیا ہے۔
- e اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- f آڈیٹرز نے چلتے ہوئے ادارے کے تسلسل پر کمپنی کی صلاحیت پر شبہات کا اظہار کیا ہے جبکہ انتظامیہ محسوس کرتی ہے کہ کمپنی کے پاس کافی صلاحیت ہے جس سے مستقبل میں کاروبار جاری رکھا جاسکتا ہے۔
- g لسٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں کیا گیا، سوائے جنہیں ادارتی نظم و ضبط کی پاسداری کے بیان میں مطلع کیا گیا ہے۔
- h گزشتہ دس سالوں کے اہم کاروباری اور مالیاتی اعداد و شمار آڈٹ شدہ مالیاتی گوشواروں میں مختصراً شامل کئے گئے ہیں۔

سال کے دوران کمپنی نے بلا واسطہ ٹیکسوں کی مدت میں قومی خزانے میں 18,131 روپے کی معاونت کی۔

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام حاضرا اجلاسوں کی تعداد

4	جناب ایم حنیف وائی باوانی
4	مسز مومیز احنیف باوانی
4	جناب ولی محمد ایم تھی
4	جناب میخائل باوانی
1	جناب وزیر احمد جوگیزئی
4	جناب زکریا اے غفار
2	جناب محمد دانش

جو ڈائریکٹر ان حاضر نہ ہو سکے ان کی رخصت منظور کر لی گئی۔

i- حصص داری کی ساخت منسلک ہے، اور

j- نہ تو چیف ایگزیکٹو آفیسر نہ ہی کسی ڈائریکٹر نے کمپنی کے حصص میں کوئی خرید و فروخت کی ہے۔

اعتراف

بورڈ ریاستی اداروں، مختلف سرکاری اداروں/شعبوں، مالیاتی اداروں، بینکوں، گاہکوں، سپلائرز اور کمپنی کے سرمایہ کاروں کے تعاون اور اس پر اعتماد کے لئے اپنی ستائش ریکارڈ پر لانا چاہتے ہیں۔ آپ کے ڈائریکٹر ان کمپنی کے ملازمین کی مخلصانہ اور سرگرم خدمات پر ان کے معترف ہیں۔

ہم اپنے قابل قدر حصص یافتگان کے انتظامیہ کے ساتھ تعاون پر ان کے مشکور ہیں۔

منجانب بورڈ

Mowiza

مومیز احنیف باوانی
ڈائریکٹر

ABD

ایم حنیف وائی باوانی
چیف ایگزیکٹو آفیسر
کراچی

تاریخ: ستمبر 28، 2023

VISION

Our vision is to be the market leader in the industrial / medical gases industry and provide highest quality products and services to our customers.

MISSION

Our mission is to be a dynamic, professional and growth oriented organization and to always strive for excellence by providing quality services and products with a customer focused strategy.

Our final goal being to produce highest quality products at minimum prices by efficiently integrating all the operations of production, procurement, logistics, financial management, human resources and safety.

Our mission statement and our motto, Best products, Best services and Best prices reflect our strategic goal and core values, may ALLAH help us in achieving this.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

We the directors and staff members of Bawany Air Products Limited adhere to the best practices of business and ethics based on the following principles:

1. Respect of individuals.
2. Fair business practices.
3. Company with all the regulatory requirements and laws of the country.
4. Transparency in transaction and following proper, acceptable accounting procedures as approved by international and national standards and regulations.
5. Anticipate integrity, honesty and responsibility from all the employees in doing business.
6. Safeguarding and proper use of Company's assets.
7. Avoid political affiliations and contributions.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

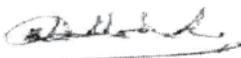
The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of board of directors is as follows:

Category	Names
Independent Directors	Mr. Muhammad Danish
	Mr. Mikhail Bawany
	Mr. Wazir Ahmed Jomezai
	Mr. Zakaria A. Ghaffar
Executive Directors	M. Hanif Y. Bawany (CEO)
	Mrs. Momiza Hanif Bawany
Non – Executive Directors	Mr. Vali Mohammad M. Yahya (Chairman)
	Mr. Mikhail Bawany
	Mr. Wazir Ahmed Jomezai
	Mr. Zakaria A. Ghaffar
Female Director	Mrs. Momiza Hanif Bawany

3. The directors have confirmed that none of them is serving as a director on more than seven listed Companies including this Company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along-with the dates on which they were approved or amended has not been maintained, however, the Board is in the process of developing the said policies.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In accordance with the criteria specified the Code, all directors of the Company are exempt from the requirement of Director's Training Program.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
- a) Audit Committee
- | | |
|----------------------------|----------|
| Mr. Muhammad Danish | Chairman |
| Mr. Zakaria A. Ghaffar | Member |
| Mr. Vali Mohammad M. Yahya | Member |
- b) HR and Remuneration Committee
- | | |
|----------------------------|----------|
| Mr. Muhammad Danish | Chairman |
| Mr. Zakaria A. Ghaffar | Member |
| Mr. Vali Mohammad M. Yahya | Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
- a) Audit committee - Quarterly basis
- b) HR and Remuneration Committee – Quarterly basis
15. The board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not closely related (spouses, parent dependent and non-dependent children) of the Chief Executive Officer, Head of Internal Audit, Company Secretary, CFO and Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 & 36 of Regulations have been complied with; and
19. As an explanation of non-compliance with requirements, we would like to update that the management intends and is in process to complete the related record but due to shortage of staff, it has been unintentionally deferred.



VALI MOHAMMAD M. YAHYA
Chairman
Dated: September 28, 2023



M. HANIF Y. BAWANY
Chief Executive Officer



S.M. SUHAIL & CO.
Chartered Accountants



**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF BAWANY AIR PRODUCTS LIMITED
FOR JUNE 30, 2023**

**Review Report on the Statement of Compliance Contained in the Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Bawany Air Products Limited** (the Company) for the year ended June 30, 2023, in accordance with the requirements of regulation # 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures, and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance with this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the statement of compliance:

- a) Exemption from the Commission, in respect of the directors' training program is not obtained as required under Regulation 18(2) of the Code;
- b) No effective internal control system is established and implemented within the Company;
- c) Offices of the Company Secretary and Chief Financial Officer are being held by the same person; and
- d) No formal and effective mechanism has been put in place for an annual evaluation of the Board's performance, members of the Board, and its committees.

Based on our review, except for the above instances, nothing has come to the attention that causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in the note referenced where it is stated in the Statement of Compliance:

Note Reference	Description
05	Complete records of particulars of significant policies along with the date, on which they were updated and amended, has not been maintained by the Company.

Sd/-

S.M. Suhail & Co.
Chartered Accountant
Karachi

Engagement Partner: S.M. Suhail, FCA

Our Ref: SMS-A-01632024
Date: September 30, 2023

UDIN: CR2023101978nEkKRXsM

KEY OPERATING AND FINANCIAL DATA FOR THE DECADE

PARTICULARS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	Re-stated													
FINANCIAL POSITION														
Shareholders' equity	47,417,768	(11,970,293)	(2,836,820)	(83,785,181)	2,777,483	16,165,826	27,638,123	58,002,888	71,159,359	90,161,368	111,064,409	97,555,521	89,337,084	72,880,918
Surplus on revaluation	-	-	-	99,007,533	35,118,869	35,884,752	36,702,131	21,295,679	16,278,914	16,576,045	16,887,424	19,757,278	20,310,071	20,891,958
Non-current liabilities	-	45,166,660	45,166,660	50,063,663	51,219,943	61,007,378	62,721,588	48,221,222	44,810,956	33,153,237	49,260,469	50,876,878	66,738,230	74,644,645
Current liabilities	46,663,045	101,909,169	93,168,216	94,137,253	85,143,518	83,886,294	75,483,447	63,748,676	59,389,529	62,487,097	38,068,182	48,959,376	50,044,397	81,597,491
Total Equity and Liabilities	94,080,813	135,105,536	135,498,056	159,423,268	174,259,813	196,944,250	202,545,289	191,268,465	191,638,758	202,377,747	215,280,484	217,149,053	226,429,802	250,015,012
Property, plant and equipment	813,106	860,170	1,034,950	147,491,688	160,730,656	177,559,562	183,889,538	170,228,692	171,467,821	178,168,918	186,819,834	192,839,499	198,640,179	205,418,500
Long term deposits	-	2,342,084	2,342,084	3,001,494	3,001,494	3,161,358	3,221,357	3,221,357	3,215,467	3,215,467	3,215,467	3,215,467	3,215,467	3,701,452
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	2,566,397	10,335,173
Current assets	93,267,707	8,803,014	9,020,754	8,930,087	10,527,663	16,223,330	15,434,374	17,818,416	16,955,470	20,993,362	25,245,183	21,094,087	22,007,759	30,559,887
Non current assets held for sale	-	123,100,268	123,100,268	-	-	-	-	-	-	-	-	-	-	-
Total Assets	94,080,813	135,105,536	135,498,056	159,423,269	174,259,813	196,944,250	202,545,289	191,268,465	191,638,758	202,377,747	215,280,484	217,149,053	226,429,802	250,015,012

FINANCIAL PERFORMANCE

Net sales	-	-	-	12,795,636	51,909,593	89,088,321	82,702,366	94,437,668	99,632,392	123,790,995	238,605,906	210,235,877	195,437,206	210,247,215
Cost of sales	-	-	-	(16,145,085)	(51,526,899)	(84,695,888)	(80,462,022)	(89,324,880)	(94,907,015)	(125,700,150)	(180,921,043)	(161,153,927)	(146,632,923)	(161,960,041)
Gross (loss) / profit	-	-	-	(3,349,449)	382,694	4,392,433	2,240,344	5,112,788	4,725,377	(1,909,155)	57,684,863	49,081,950	48,804,283	48,287,174
Expenses - net of other income	59,399,330	(9,024,259)	(16,797,991)	(81,244,907)	(19,404,544)	(18,804,804)	(19,503,604)	(20,330,959)	(20,067,038)	(22,556,860)	(26,246,942)	(26,747,221)	(23,057,704)	(25,372,645)
Profit / (loss) before interest and tax	59,399,330	(9,024,259)	(16,797,991)	(84,594,356)	(19,021,850)	(14,412,371)	(17,263,260)	(15,218,171)	(15,341,661)	(24,466,015)	31,438,321	22,334,729	25,746,579	22,914,529
(Finance cost) / Income - net	(10,988)	(30,128)	(126,181)	(636,232)	(796,091)	(934,697)	(1,872,155)	(2,443,681)	(2,961,155)	(4,165,147)	(9,489,514)	(7,047,695)	(3,473,879)	(12,153,851)
Profit / (loss) before tax	59,388,342	(9,054,387)	(18,059,172)	(85,230,588)	(19,817,941)	(15,347,068)	(19,135,415)	(17,661,852)	(18,302,816)	(28,631,162)	21,949,007	15,287,034	22,272,700	35,068,380
Tax	(281)	(86)	-	(1,956,524)	5,350,890	2,707,087	3,106,789	(3,090)	(996,324)	7,416,742	(8,965,772)	(7,621,390)	(9,808,653)	15,550,948
Profit / (loss) after tax	59,388,061	(9,054,473)	(18,059,172)	(87,187,112)	(14,467,051)	(12,639,981)	(16,028,626)	(17,664,942)	(19,299,140)	(21,214,420)	12,983,735	7,665,644	12,464,047	50,619,328

STATISTICS AND RATIO

Gross profit %	0%	0%	0%	(26%)	1%	5%	3%	5%	5%	(2%)	24%	23%	25%	23%
(Loss) / profit before tax to total sales %	0%	0%	0%	(66%)	(38%)	(17%)	(23%)	(19%)	(18%)	(23%)	9%	7%	11%	17%
(Loss) / profit after tax to total sales %	0%	0%	0%	(68%)	(28%)	(14%)	(19%)	(19%)	(19%)	(17%)	5%	4%	6%	24%
Current ratio	200%	9%	10%	9%	12%	19%	20%	28%	29%	34%	66%	43%	44%	37%
Asset turnover ratio	0%	0%	0%	9%	32%	50%	45%	55%	58%	69%	128%	109%	98%	102%
Current Assets Turnover - times	-	-	-	1.32	3.88	5.63	4.97	5.43	5.25	5.35	10.30	9.76	7.44	8.51
Long term debt to equity ratio	0%	0%	0%	0%	0%	0%	0%	19%	15%	12%	19%	41%	61%	104%
Return on equity before tax %	125%	76%	63%	102%	(714%)	(95%)	(69%)	(30%)	(26%)	(32%)	20%	16%	25%	48%
Return on equity after tax %	125%	76%	63%	104%	(621%)	(78%)	(68%)	(30%)	(27%)	(24%)	12%	8%	14%	69%
Interest Cover	5,405.84	(299.53)	(13.32)	(132.96)	(23.89)	(15.42)	(9.22)	(6.23)	(5.18)	(5.87)	3.31	3.17	7.41	-
Earning per share (Rs.)	7.92	(1.21)	(2.25)	(2.25)	(1.93)	(2.19)	(2.14)	(2.35)	(2.57)	(2.83)	1.73	1.02	1.75	7.42
Price earning ratio	1	(8)	(6)	(10)	(3)	(3)	(4)	(3)	(3)	(3)	9	7	4	2
Market price per share at year end	9.58	9.45	13.69	23.16	5.56	6.55	8.00	6.00	6.79	7.40	14.73	7.22	6.75	11.23
Cash dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	5%
Stock dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018
[Section 227 (2)(F)]

PATTERN OF SHAREHOLDING

PART-I

1.1 Name of the Company

BAWANY AIR PRODUCTS LIMITED

PART-II

1.2 Pattern of holding of the shares held by the shareholders as at

30.06.2023

NO. OF SHARE HOLDERS	SHARE HOLDING			SHARE HELD
	FROM	-	TO	
281	1	-	100	6,320
171	101	-	500	54,741
76	501	-	1000	62,737
118	1001	-	5000	288,941
40	5001	-	10000	315,038
14	10001	-	15000	180,132
5	15001	-	20000	87,430
6	20001	-	25000	131,894
4	25001	-	30000	113,880
4	30001	-	35000	128,800
3	35001	-	40000	114,700
3	40001	-	45000	130,000
7	45001	-	50000	343,700
4	50001	-	55000	211,100
1	55001	-	60000	56,000
2	60001	-	65000	127,080
2	65001	-	70000	132,500
2	70001	-	75000	143,213
1	75001	-	80000	80,000
2	80001	-	85000	165,400
1	90001	-	95000	95,000
4	95001	-	100000	396,501
1	110001	-	115000	112,500
1	135001	-	140000	139,531
1	140001	-	145000	143,500
1	145001	-	150000	147,369
1	160001	-	165000	162,110
3	195001	-	200000	598,830
1	220001	-	225000	222,149
2	230001	-	235000	462,209
1	280001	-	285000	281,570
1	310001	-	315000	314,511
1	330001	-	335000	330,028
1	1220001	-	1225000	1,223,096
766	Total			7,502,510

S. No.	CATAGORIES OF SHARE HOLDERS	SHARES HELD	PERCENTAGE
1	Directors, Chief Executive Officer and their spouse and minor children.	2,348,265	31.30 %
2	Associated Companies.	222,149	2.96 %
3	NIT and ICP	100	0.00 %
4	Banks, Development Financial Institutions, Non Banking Financial Institutions.	230,751	3.08 %
5	Insurance Companies	16,260	0.22 %
6	Modaraba and Mutual Funds	0	
7	Share Holders Holding 10 %	0	
8	GENERAL PUBLIC		
	a) Local	4,684,985	62.45 %
	b) Foreign	0	
9	Others (to be specified)	0	
		7,502,510	100.00 %

**DETAIL OF PATTERN OF SHAREHOLDING
AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE**

NIT/ICP

National Bank of Pakistan, Trustee Wing	7,074
Investment Corporate of Pakistan	100

DIRECTOR, CEO AND THEIR SPOUSE

Mr. M. Hanif Y. Bawany	Director/Chief Executive Officer	1,223,096
Mr. Vali Mohammad M. Yahya	Director/Chairman	338,861
Mr. Muhammad Danish	Director	17,945
Mr. Zakaria Abdul Ghaffar	Director	3,581
Mrs. Momiza Hanif Bawany	Director	443,680
Mr. Wazir Ahmed Jomezai	Director	3,581
Mr. Mikhail Bawany	Director	317,521

EXECUTIVE

Nil

PUBLIC SECTOR COMPANIES & CORPORATION

Nil

**BANK DEVELOPMENT FINANCE INSTITUTES,
NON BANKING FINANCIAL INSTITUTION,
INSURANCE COMPANIES, MODARABAS AND
MUTUAL FUNDS**

230,751

SHAREHOLDERS HOLDING 5% MORE

Mr. M. Hanif Y. Bawany	16.30%
Mrs. Momiza Hanif Bawany	5.91%

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BAWANY AIR PRODUCTS LIMITED
ON THE AUDIT OF THE FINANCIAL STATEMENTS AS AT JUNE 30, 2023**

Opinion

We have audited the annexed financial statements of Bawany Air Products Limited (the Company), which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention note 2.2 read with 1.3, to the financial statements for the year ended June 30, 2023, which reflects that the Company has accumulated losses of Rs. 27.607 million, which have been reduced from Rs. 86.995 million from last year, due to gain on sale of major parts of non-current asset, the core operations of the Company were suspended in the year, 2013, considering the current economic conditions, the business plan is yet to finalized for revival and, the Company was placed on the default segment by PSX in the 2019.

These circumstances collectively contribute to a level of uncertainty regarding the Company's ability to continue as a going concern. Despite these challenges, the management had made a strategic decision and liquidated non-current assets to secure financing for future business plan. Furthermore, the management of the Company is actively pursuing to fulfill the requirement before the relevant authorities for removal from default segment of PSX. Additionally, the Directors of the Company have also assured to continue to provide financial support and professional expertise to manage the affairs of the Company. Considering these developments, the Company have prepared the financial statements on the assumption of a going concern. Our opinion is not modified in respect of the above matters.


Key Audit Matters

In our professional judgment, the key audit matters are those that were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters other than explained in the basis of the opinion paragraph are as follow:

Key audit matter	How we responded
<p>Non-Current Asset Held for Sale</p> <p>Refer to the note 14.2, the Company concluded an agreement to sell its land, building, and plant and machinery. Their book value at the time of the sale was Rs. 123.1 million. The Company sold it to ABC Marine Services (Pvt.) Limited, the buyer, at an agreed price of Rs. 192.5 million for the disposal of remaining assets. During the year, the buyer made a payment of Rs. 152.5 million and set off liability against non-current asset held for sale of Rs. 40 million, after which the titles of all the assets were transferred to them. The disposal of these assets was done by mode of negotiation, resulting in a gain of Rs. 69.4 million for the Company under IFRS-5.</p> <p>This is, one of the significant events and is also material to the financial statements and, also the measurement of such assets required significant estimates and judgements therefore, we have determined this matter as a Key Audit Matter.</p>	<p>We acquired the non-current assets register to verify the removal of the disposed assets from it.</p> <p>We confirmed the sale proceeds realized by reviewing the bank statements.</p> <p>We inspected the minutes Board of Directors for approval of the sale of said assets.</p> <p>Confirmation was sent to the buyer but, we have not received a response. Alternatively, an undertaking has been provided for our verification.</p> <p>We reviewed the sale agreement and related documentations, and examined the sale's terms, including consideration, contingent payments, and other conditions.</p> <p>We assessed the income recognition criteria as per accounting standards, considering asset control transfer and the Company's ongoing involvement or risks.</p> <p>We recalculated the gain for compliance with accounting standards.</p> <p>We examined the disclosures in the financial statements for ensure compliance with relevant accounting standards.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and does not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so, would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditures incurred and guarantees extended during the year were for the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Sd/-

S.M. Suhail & Co.
Chartered Accountants
Karachi

Our Ref: SMS-A-01622024

Date: September 30, 2023

UDIN: AR202310197MJQZ0tskS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	2023	2022
----- Rupees -----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	813,106	860,170
Long-term deposits	7	-	2,342,084
		<u>813,106</u>	<u>3,202,254</u>
Current assets			
Trade debts	8	-	-
Advances and other receivables	9	-	1,635,265
Sales tax refundable		824,547	824,547
Short-term deposits	10	2,342,084	-
Investments	11	36,057	45,297
Taxation - net	12	6,074,646	6,056,796
Cash and bank balances	13	83,990,373	241,109
		<u>93,267,707</u>	<u>8,803,014</u>
Non current assets held for sale	14	-	123,100,268
TOTAL ASSETS		<u><u>94,080,813</u></u>	<u><u>135,105,536</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
15,000,000 (2022: 15,000,000) ordinary shares of Rs.10/- each		<u>150,000,000</u>	<u>150,000,000</u>
Share capital			
Issued, subscribed and paid-up capital	15	75,025,100	75,025,100
Capital reserve			
Accumulated (loss)		<u>(27,607,332)</u>	<u>(86,995,393)</u>
		<u>47,417,768</u>	<u>(11,970,293)</u>
Non-current liabilities			
Long-term deposits	16	-	45,166,660
Deferred tax liability	17	-	-
		-	45,166,660
Current liabilities			
Trade and other payables	18	665,103	3,983,010
Accrued liabilities	19	11,421,823	26,903,256
Unclaimed dividend		717,420	717,420
Short-term deposits	20	14,971,512	-
Due to related parties	21	18,887,187	30,305,483
Liabilities against non current assets held for sale	14	-	40,000,000
		<u>46,663,045</u>	<u>101,909,169</u>
Contingencies and commitments	22	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>94,080,813</u></u>	<u><u>135,105,536</u></u>

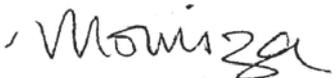
The annexed notes from 1 to 38 form an integral part of these financial statements.



M. HANIF Y. BAWANY
Chief Executive officer



ABDUL RAUF
Chief Financial Officer



MOMIZA HANIF BAWANY
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- Rupees -----	
Revenue	23	-	-
Cost of sales		-	-
Gross profit		-----	-----
Administrative expenses	24	(11,117,125)	(8,897,826)
Other expenses	25	(1,139,704)	(3,763,867)
Unrealized loss on revaluation of other financial assets		(9,240)	(163)
		(12,266,069)	(12,661,856)
Other income	26	71,665,399	3,637,597
		59,399,330	(9,024,259)
Operating Profit / (loss)		59,399,330	(9,024,259)
Finance cost	27	(10,988)	(30,128)
Profit / (loss) before taxation		59,388,342	(9,054,387)
Taxation	28	(281)	(86)
Profit / (loss) for the year		59,388,061	(9,054,473)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income during the year		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		59,388,061	(9,054,473)
Profit / (loss) per share - basic and diluted	29	7.92	(1.21)

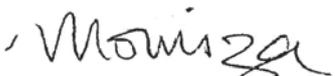
The annexed notes from 1 to 38 form an integral part of these financial statements.



M. HANIF Y. BAWANY
 Chief Executive officer



ABDUL RAUF
 Chief Financial Officer



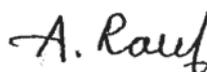
MOMIZA HANIF BAWANY
 Director

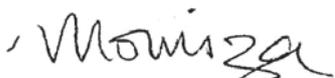
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		59,388,342	(9,054,387)
Adjustments for non-cash items:			
Depreciation	6.2	96,078	105,236
Gain on disposal of assets held for sale		(69,391,938)	-
Gain on disposal of other property, plant and equipment		(840,536)	(1,062,910)
Unrealized loss on revaluation of other financial assets		9,240	163
Finance cost		10,988	30,128
Operating cash flows before working capital changes		(10,727,826)	(9,981,770)
Working capital changes			
Advances and other receivables		1,635,265	441,876
Trade and other payables		(3,317,907)	99,989
Accrued liabilities		(15,481,434)	5,595,246
Provision - K Electric		-	(2,303,902)
		(17,164,076)	3,833,209
Finance charges paid		(10,987)	(30,128)
Advance tax paid		(18,131)	(57,454)
Net cash used in operating activities		(27,921,020)	(6,236,143)
CASH FLOWS FROM INVESTING ACTIVITIES			
Non current assets held for sale		192,492,206	-
Proceeds from disposal of plant and machinery		873,022	1,132,454
Additions in Office Equipments		(81,500)	-
Net cash generated from investing activities		193,283,728	1,132,454
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term deposits - liabilities		(30,195,148)	-
(Paid) / receipts of loan from / to, related parties		(11,418,296)	1,699,421
Liabilities against non current assets held for sale		(40,000,000)	3,571,200
Net cash generated / (used in) from financing activities		(81,613,444)	5,270,621
Net increase in cash and cash equivalents		83,749,264	166,932
Cash and cash equivalents at beginning of the year		241,109	74,177
CASH AND CASH EQUIVALENT AT END OF THE YEAR	30	83,990,373	241,109

The annexed notes from 1 to 38 form an integral part of these financial statements.


M. HANIF Y. BAWANY
 Chief Executive officer


ABDUL RAUF
 Chief Financial Officer


MOMIZA HANIF BAWANY
 Director

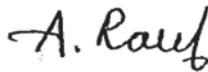
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share Capital	Revenue Reserves	Total Equity
	Issued, subscribed and paid-up capital	Accumulated (loss)	Total
	----- Rupees -----		
Balance as at June 30, 2021	75,025,100	(77,940,920)	(2,915,820)
Total (loss) for the year	-	(9,054,473)	(9,054,473)
Balance as at June 30, 2022	75,025,100	(86,995,393)	(11,970,293)
Total profit for the year	-	59,388,061	59,388,061
Balance as at June 30, 2023	75,025,100	(27,607,332)	47,417,768

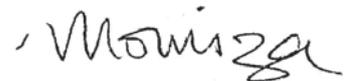
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M. HANIF Y. BAWANY
Chief Executive officer



ABDUL RAUF
Chief Financial Officer



MOMIZA HANIF BAWANY
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1. STATUS AND NATURE OF BUSINESS

1.1 Bawany Air Products Limited (the Company) is a public limited Company, was incorporated in Pakistan on August 16, 1978 and was registered under the Companies Act 1913, now the Companies Act, 2017. The Company is listed on Pakistan Stock Exchange Limited. The principal activities of the Company were production and trading of oxygen gas, dissolved acetylene and nitrogen gas, had suspended in 2013.

1.2 Geographical location and address of business;

Address of the Registered Office

Office # 16-C, 2nd floor, Nadir House, I.I Chundrigar Road, Karachi.

1.3 The financial statements for the year ended June 30, 2023, reveal a significant turnaround, with a profit after taxation of Rs. 59.388 million, compared to a loss of Rs. 9.054 million in 2022. Furthermore, the Company's accumulated loss have reduced to Rs. 27.607 million from last loss of Rs. 86.995 million as of June 30, 2022. Despite the operational challenges stemming from the plant breakdown in 2013, the Company has successfully overhauled its strategy.

This positive financial outlook has been achieved, in part, through the strategic decision to liquidate land & building, plant & machinery, in order to optimize resources. This initiative of the CEO, coupled with prudent financial management, has resulted in ample liquid cash reserves and a substantial reduction in liabilities, reflecting close to attainable values. Consequently, the Company's liquidity and overall financial health have been greatly improved.

In the year 2019, the Company was placed on the default segment by PSX without any restriction on trading of shares. The management of the Company is in the process of complying with all of the PSX regulations and is actively pursuing to fulfill the requirement from relevant authorities for removal from default segment of PSX. The CEO and Directors of the Company have also assured to support the Company financially, as well as with professional expertise to manage the affairs of the Company.

The Company has considered to revamp its business while a comprehensive business plan with revised multiple opportunities and options, is near to finalization, and the Company remains flexible and adaptable. In the light of the current economic turmoil and substantial inflationary pressures, the Company is actively engaged in a careful consideration of available options, with a focus to make a prudent decision.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 shall prevail. 2.2

2.2 Basis of measurement

On the basis of facts described in note 1.3 above, the Company has prepared these financial statements on a going concern basis.

Under going concern assumption, these financial statements have been prepared under the historical cost convention except for the 'investments in equity securities' which are stated at fair value through profit or loss and, the freehold land and building thereon, are valued on revaluation basis.

Additionally, these financial statements are prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). These financial statements are presented in Pakistani Rupee (PKR), which is the Company's functional and presentation currency.

3. Use of estimates and judgements

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that effect the reported amounts of assets and liabilities and income and expenses. It also requires managements to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on, an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and applied prospectively.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment is exercised in application of accounting policies are as follows:

- (i) revaluation of freehold land and building thereon;
- (ii) depreciation method, useful lives and residual value of property, plant and equipment;
- (iii) provision for impairment of trade debts and other receivable;
- (iv) allowance for expected credit losses;
- (v) impairment of assets;
- (vi) provision for taxation; and
- (vii) contingencies.

4. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

4.1 The following standards and amendments became effective during the year but, are not relevant to the Company's operations or, are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standard or Interpretation

IFRS 3 Reference to conceptual framework — (Amendments)

IAS 16 Property, plant and equipment: Proceeds before intended use — (Amendments)

IAS 37 Onerous contracts - costs of fulfilling a contract — (Amendments)

AIP IFRS 1 First-time Adoption of International Financial Reporting Standards — Subsidiary

- a) AIP IFRS 9 Fees in the '10 per cent' test for derecognition of financial liabilities and its associate or Joint Venture — (Amendments)

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

The following standards, amendments and interpretations of approved accounting standards will be effective for the Company, for the accounting periods beginning on or after 01 July 2023:

	Effective date (Annual periods beginning on or after)
a) IAS 1 Classification of liabilities as current or non-current —	1-Jan-24
IAS 8 Definition of accounting estimates — (Amendments)	1-Jan-23
IAS 1 and IFRS Practice Statement 2 Disclosure of accounting policies — (Amendments)	1-Jan-23
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	1-Jan-23
IFRS 10 and IFRS 28 Sale or Contribution of Assets between an Investor and its associate or Joint Venture — (Amendments)	1-Jan-22

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation/ disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9 on its financial statements.

- b) **Further, the following standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan**

IFRS-1 First Time Adoption of International Financial Reporting Standards
IFRS-17 Insurance Contracts

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

5.1 Property, plant and equipment

- a) **Operating fixed assets - owned**

These are stated at cost less accumulated depreciation and impairment loss except for Freehold land and building thereon which are valued on revaluation model. The revaluation model requires assets to be valued at revalued amount less accumulated depreciation. Cost includes expenditure, related overheads, mark-up and borrowing costs directly attributable to the acquisition of asset.

b) Depreciation on property, plant and equipment

Depreciation is charged to profit or loss for the year applying the reducing balance method after taking into account the impact of residual value, if any, whereby the depreciable amount of an asset is written off over estimated useful life at the rates mentioned in the relevant note to these financial statements. Depreciation on addition is charged from the date when the asset is available for use and on disposal up to the date when the asset is classified as 'held for sale' in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' or the date when the asset is derecognized, whichever is earlier. Asset's residual values and useful lives are reviewed, and adjusted, if appropriate at each reporting date.

- c) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal maintenance and repairs are charged to statement of profit or loss as and when incurred whereas major renewals and improvements are capitalized if criteria is met.

Any revaluation increase arising on the revaluation of freehold land and building on freehold land is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation of building on freehold land to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit directly without taking any effect in profit or loss for the year.

d) Disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognized in statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings / unappropriated profit.

5.2 Impairment of non-financial assets

The carrying amounts of non-financial assets other than stock in trade and deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.3 Stock-in-trade

Stock of raw and packing material, work in process and finished goods are valued at the lower of cost and net realizable value. Cost in relation to work in process and finished goods includes prime cost and appropriate proportion of production overheads incurred in bringing the inventory to their present location and condition. Stocks of raw and packing material are valued at cost on weighted average basis. Stocks in transit are valued at cost comprising of invoice value plus other charges directly attributable to the acquisition of related purchase incurred up to the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessary to be incurred in order to make the sale.

5.4 Trade debts and other receivables

Trade debts represent the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Notes.

5.5 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprises of cash in hand, cash with banks in current, PLS and deposit accounts net of short term borrowings under mark-up arrangements, if any.

5.6 Employee Benefits

The Company's employees benefits comprise of Provident fund and leave encashment for eligible employees.

5.6.1 Employee retirement benefits

Defined contribution plan

The Company operates a recognized provident fund for all its eligible employees. Equal monthly contributions are made by the Company and the employees at the rate of 10% of the employees' basic salary. The Company's required contribution to the fund is charged to the profit or loss for the year.

5.7 Borrowings and finance cost

Loans and borrowings are recorded as and when the proceeds are received.

Borrowing cost incurred on long term finances directly attributable to the construction / acquisition of qualifying asset are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to statement of profit or loss.

5.8 Taxation

a) Current

Provision for current taxation is computed in accordance with the provisions of Income Tax Ordinance, 2001. The charge for current income tax is recorded after adjustment, if any, to the provision for tax made in prior years including those arising from assessment and amendments in assessments during the year in such years.

b) Deferred

The Company accounts for deferred taxation on all temporary differences using liability method. Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized.

5.9 IFRIC-23 "Uncertainty over income tax treatments"

The company has adopted IFRIC-23 - Uncertainty over income tax treatment which clarifies how the recognition and measurement requirement of IAS-12 Income taxes are applied when there is uncertainty over income tax treatment. IFRIC-23 explains how the recognition and measurement of deferred and current income tax assets and liabilities when there is uncertainty over tax treatment.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over income tax that will be accepted by tax authorities. IFRIC-23 applies to all aspect of income tax accounting, when there is a uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

While there are new disclosure requirements, entities are reminded of the general requirement to provide information about judgment and estimates made in preparing the financial statement.

The Company is already in compliance with the requirement of IFRIC-23.

5.10 Trade and other payables

These are recognized and carried at cost which is fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation \ as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at the reporting date and adjusted to reflect the best estimate.

5.12 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.13 Revenue/ Income recognition

Revenue is recognized when control of a promised goods passes to a customer. It is measured at the fair value of the consideration received or receivable, sales tax and other duties collected on behalf of third parties are not taken into account.

The revenue is recorded on the basis of the consideration defined in the contract with the customer, including variable consideration such as discount, volume rebates or other contractual price reductions; if any.

Interest and rental / other income is recognized on accrual basis.

5.14 Financial assets and liabilities

5.14.1 Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in statement of profit or loss.

Impairment

The Company recognize an allowance for expected credit loss on all financial assets carried at amortized cost irrespective whether a loss event has occurred. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets (deposits, other receivables and cash and bank balances) i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition, and if otherwise, ECL to measure at life time expected credit losses.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the statement of profit or loss.

5.14.2 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in statement of profit or loss.

5.15 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and discharge the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

	Note	2023	2022
6.2 Depreciation for the year has been allocated as under:		----- Rupees -----	
Administrative expenses	24	96,078	105,236
		96,078	105,236
7 LONG-TERM DEPOSITS			
Electricity		-	2,184,400
Others		-	157,684
		-	2,342,084
8 TRADE DEBTS			
Unsecured			
Considered doubtful		1,502,581	1,502,581
		1,502,581	1,502,581
Provision for doubtful debts	8.2	(1,502,581)	(1,502,581)
		-	-
8.1 Age analysis is as follows:			
<i>Neither past due nor impaired</i>			
0-30 days		-	-
<i>Past due but not impaired</i>			
31-90 days		-	-
91-180 days		-	-
180-365 days		-	-
Over 365 days		1,502,581	1,502,581
		1,502,581	1,502,581
8.2 Provision for doubtful debts			
Balance at beginning of year		1,502,581	1,526,652
Provision decreased during the year		-	(24,071)
		1,502,581	1,502,581
Provision made during the year		-	-
		1,502,581	1,502,581
9 ADVANCES AND OTHER RECEIVABLES			
Unsecured			
Advances to suppliers - Considered doubtful		-	1,665,135
Other receivables - Considered doubtful		63,728	58,496
		63,728	1,723,631
Provision against doubtful advances		(63,728)	(88,366)
		-	1,635,265
10 SHORT-TERM DEPOSITS - Unsecured			
Electricity		2,184,400	-
Others		157,684	-
		2,342,084	-

11 INVESTMENTS
At Fair Value through Profit or Loss

Investment in equity securities having par value of Rs. 10 each.

2023	2022	Company's name	2023	2022
No. of shares certificates			----- Rupees -----	
268	268	Faysal Bank Ltd.	5,408	6,180
603	603	Sui Southern Gas Pipelines Ltd.	5,180	5,463
1,398	1,398	First Fidelity Leasing Modaraba Ltd.	2,377	3,649
1,311	1,311	First Equity Modaraba Ltd.	5,244	9,833
419	419	K-Electric Ltd.	721	1,274
156	125	Pakistan Oxygen Ltd.	14,711	15,813
290	290	SAMBA Bank Ltd.	2,268	2,854
15	14	Ghani Gases Ltd.	148	231
4,460	4,428		36,057	45,297

12 TAXATION - NET

Note

Income tax refundable		6,056,796	5,999,431
Advance income tax deducted during the year		17,850	57,451
Provision for taxation - current	28	-	(86)
		6,074,646	6,056,796

13 CASH AND BANK BALANCES

Cash at bank - current accounts	83,874,373	6,330
Cash in hand	116,000	234,779
	83,990,373	241,109

14 NON CURRENT ASSETS HELD FOR SALE

Description	Written Down Value	Fair Value Less cost to sell	Lower of carrying value or fair value	2022
Freehold land	-	-	-	90,000,000
Building on freehold land	-	-	-	23,170,000
Plant and machinery	-	-	-	9,930,268
	-	-	-	123,100,268

14.1 Freehold land and building on freehold land was situated at part of Khasra No. 53, Mouza Pathra, Tehsil HUB, District Lasbella, Balochistan measuring 6 acres. All assets including land were duly registered in the name and, were in the possession of the Company, sold during the year to ABC Marine Services (Pvt) Limited (the Buyer).

14.2 In September 2022, the Company concluded an agreement to sell its land, building, plant and machinery with the buyer. Initially, these assets were recorded either at cost or revalued amount of Rs. 124.4 million. However, their book value at the time of the sale was Rs. 123.1 million.

14.3 The buyer is not a related party, was agreed to a final price of Rs. 215 million (out of which Rs. 192.5 million was settled in the current year for the remaining assets held for sale). During the year, the buyer made a payment of Rs. 152.5 million and set off liability against non-current asset held for sale of Rs. 40 million. Thereafter the titles of all the assets were transferred to the buyer. The disposal of these assets was done by mode of negotiation, resulting in a gain of Rs. 69.4 million for the Company.

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		2023	2022
No. of shares			----- Rupees -----	
		Ordinary shares of Rs.10/- each :		
5,336,769	5,336,769	- Fully paid in cash	53,367,690	53,367,690
250,000	250,000	- For consideration other than cash	2,500,000	2,500,000
1,915,741	1,915,741	- Bonus shares issued	19,157,410	19,157,410
<u>7,502,510</u>	<u>7,502,510</u>		<u>75,025,100</u>	<u>75,025,100</u>

15.1 Shares held by the related parties of the Company

	2023	2022
	No. of shares	
Name of the shareholders:		
Mr. M. Hanif Y. Bawany	1,223,096	1,223,096
Mrs. Momiza Hanif Bawany	443,680	443,680
Mr. Vali Mohammad M. Yahya	338,861	338,861
Bawany Management (Pvt.) Ltd.	222,149	222,149
Mr. Zakaria Abdul Ghaffar	3,581	3,581
Mr. Wazir Ahmed Jomezai	3,581	3,581
Mr. Mikhail Bawany	317,521	3,010
Mr. Muhammad Danish	17,945	17,945
	<u>2,570,414</u>	<u>2,255,903</u>

15.2 All ordinary shares rank equally with regard to residual assets of the Company. The ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting rights, board selection, right of first refusal and block voting are in proportion to shareholding.

16 LONG-TERM DEPOSITS

Received against tanks and cylinders	-	45,166,660
--------------------------------------	---	------------

16.1 These were non-interest bearing deposits and, majority amount has been refunded during the year on completion of necessary formalities. The balance of Rs. 14,971,512 has been moved to Short-term deposits, in note 20 to these financial statements.

16.2 The amount of security deposit had been fully utilized by the Company in its business activity without complying the requirements of section 217 of the Companies Act, 2017.

	Note	2023 ----- Rupees -----	2022 -----
17 DEFERRED TAX LIABILITY			
Taxable temporary differences:			
Accelerated depreciation on property, plant and equipment		(1,144,583)	(1,298,948)
		<u>(1,144,583)</u>	<u>(1,298,948)</u>
Deductible temporary differences:			
Doubtful receivables and other provisions		(454,230)	(435,748)
Minimum tax paid		-	-
Carried forward tax losses		(22,695,486)	(51,029,615)
		<u>(23,149,716)</u>	<u>(51,465,363)</u>
Net deferred tax (asset)/ liability		(24,294,299)	(52,764,311)
Deferred tax asset not recognized		24,294,299	52,764,311
		<u>-</u>	<u>-</u>
18 TRADE AND OTHER PAYABLES			
Trade creditors - unsecured		-	45,619
Factory insurance payable		-	1,006,123
Contract liability - Unsecured		215,103	215,103
Provision for compensated absences	18.1	450,000	450,000
Withholding tax payable		-	2,266,165
		<u>665,103</u>	<u>3,983,010</u>
18.1	With effect from financial year 2015, the policy has been discontinued by the Company.		
19 ACCRUED LIABILITIES			
Remuneration payable to Directors		7,744,314	17,452,265
Salaries payable		1,283,692	1,393,225
EOBI and SESSI payable		1,560	1,085,705
Audit fee payable		300,000	300,000
Rent payable to Associate		1,211,512	1,211,512
Central Depository charges payable		-	226,000
Deposit against rent		-	900,000
Other accrued liabilities		880,745	4,334,549
		<u>11,421,823</u>	<u>26,903,256</u>
20 SHORT-TERM DEPOSITS			
Received against tanks and cylinders (refer note 16)		<u>14,971,512</u>	<u>-</u>
21 DUE TO RELATED PARTIES			
Un-secured			
Bawany Management (Private) Ltd.		17,795,439	24,307,464
Loan from director		1,091,748	5,998,019
		<u>18,887,187</u>	<u>30,305,483</u>
21.1	These are unsecured, non-interest bearing loans which are repayable on demand.		

22 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023 (2022: Nil).

23 REVENUE

No sales was made during the year, due to the closure of the operational activities of the Company. The operations of the Company were closed due to break down of major component of the plant and machinery during the financial year 2013, which has not been repaired, therefore, no production and selling activity had been carried out during the year. For further detail, refer note 1.4.

		2023	2022
		----- Rupees -----	
24 ADMINISTRATIVE EXPENSES	Note		
Salaries and other benefits	24.1	7,032,245	6,105,140
Electricity, gas and water		240,308	102,998
Repairs and maintenance		321,395	164,885
Communication		185,504	119,678
Vehicle running and maintenance		477,923	245,990
Fees, subscription and periodicals		695,397	678,215
Rent, rates and taxes		529,741	546,996
Auditors' remuneration	24.2	393,150	381,000
Traveling and conveyance		169,160	146,425
Printing and stationery		77,834	53,971
Legal and professional charges		705,555	152,550
Advertisement		103,500	41,173
Others expenses		89,335	53,569
Depreciation	6.2	96,078	105,236
		11,117,125	8,897,826

24.1 Salaries and other benefits include contributions of Rs.0.114 (2022: 0.110) million in respect of defined contribution plan.

	2023	2022
	----- Rupees -----	
24.2 Auditors' remuneration		
Audit fee	300,000	300,000
Half year review fee	93,150	81,000
	393,150	381,000

	2023	2022
	----- Rupees -----	
25 OTHER EXPENSES		
Penalty charges	-	115,115
Expenses related idle plant and machinery and factory	25.1 1,139,704	3,648,752
	1,139,704	3,763,867
25.1 Expenses Related to Idle Plant and Factory		
Salaries and other benefits	379,468	1,716,283
Utilities	57,800	657,840
Repair and Maintenance	14,880	76,450
Security	240,000	717,500
Transportation Charges	198,580	365,165
Others	248,976	115,514
	1,139,704	3,648,752
26 OTHER INCOME		
Dividend income	1,876	576
Gain on disposal of assets held for sale	69,391,938	-
Gain on disposal of other fixed assets	840,536	1,062,910
Reversal of provisions	381,049	774,111
Income from rent and old dues	1,050,000	1,800,000
	71,665,399	3,637,597
27 FINANCE COST		
Mark-up on due to provident fund	2,094	28,203
Bank charges	8,894	1,925
	10,988	30,128
28 TAXATION		
Current	281	86

29 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earning / (loss) per share of the Company, which is based on:

	Note	2023	2022
		----- Rupees -----	
Profit / (loss) for the year - Rupees		59,388,061	(9,054,473)
Weighted average number of ordinary shares (Number)		7,502,510	7,502,510
Earnings / (loss) per share - Rupees		7.92	(1.21)

30 CASH & CASH EQUIVALENT

Cash and bank balances	13	83,990,373	241,109
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31 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

	Chief Executive Officer		Director	
	2023	2022	2023	2022
	----- Rupees -----			
Remuneration	967,742	967,742	1,045,161	1,045,161
House rent	435,484	435,484	470,322	470,322
Utilities	96,774	96,774	104,517	104,517
	1,500,000	1,500,000	1,620,000	1,620,000
No. of persons	1	1	1	1

31.1 The chief executive officer and the director are provided with free use of company maintained vehicles, residential utility and telephone bills, the monetary value of which is Rs.1.042 (2022: Rs. 0.348) million.

31.2 No fees have been paid to any of the directors during the year (2022: nil) for attending boards' meetings.

31.3 No remuneration has been paid to non-executive directors of the Company during the year (2022: Nil).

32 TRANSACTIONS WITH RELATED PARTIES

Detail relationship with related parties and percentage of holdings, if any, are disclosed in note 14.1 to the financial statements. Remuneration of chief executive officer, directors and executives of the Company are disclosed in note 31. Transactions with related parties during the year, other than those disclosed elsewhere in these financial statements are as follows:

Transactions in relation to sales, purchases and services with related parties are made at arm's length prices except for Business Support Services for which the pricing mechanism is subject to approval of the Board of Directors.

Name of related party	Nature of transactions	2023	2022
		----- Rupees -----	
Directors	Loan (repaid) / obtained	(4,906,271)	1,714,911
Bawany Management (Pvt) Ltd.	Loan repaid	(6,512,025)	(15,490)
Employees retirement - benefit plan	Contribution to provident fund	114,298	110,462
	Interest charged to the Company	2,094	28,203

32.1 Following are the details of related parties with whom the Company has entered into transactions or have arrangements / agreements in place during the year:

Name of related party	Relationship	Percentage of Shareholding in the Company	
		2023	2022
Bawany management (Pvt) Ltd	Common Directorship	2.96%	2.96%
Mrs. Momiza hanif bawany	Director	5.91%	5.91%
Mr. Hanif Y. Bawany	Director	16.30%	16.30%

33 PROVIDENT FUND

The following information is based on latest financial statements of the fund:

	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
	----- Rupees -----	
Size of the fund - total assets	650,415	639,420
Cost of the investment made	-	-
Percentage of investments made	0%	0%

33.1 The break-up of fair value of investments is:

Bank balances/ deposits	650,415	639,420
	100.00%	100.00%
Receivable from the Company	-	-
	0.00%	0.00%

34 FINANCIAL RISK MANAGEMENT

34.1 Financial instruments by category

FINANCIAL ASSETS

Loans and receivables

Long-term deposits	-	2,342,084
Short-term deposits	2,342,084	-
Other receivables	63,728	1,723,631
Cash and bank balances	83,990,373	241,109
	86,396,185	4,306,824

FAIR VALUE THROUGH PROFIT OR LOSS

Investments	36,057	45,297
	86,432,242	4,352,121

	2023	2022
Note	----- Rupees -----	
FINANCIAL LIABILITIES		
Through Amortized Cost	-	45,166,660
Long-term deposits	665,103	3,983,010
Trade and other payables	2,465,997	8,239,479
Accrued liabilities - other than related parties	717,420	717,420
Unclaimed dividend	14,971,512	-
Short-term deposits	27,843,013	48,969,260
Due to related parties	-	40,000,000
Liabilities against non current assets held for sale	-	40,000,000
	46,663,045	147,075,829

34.2 Financial risk management

The board of directors have an overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

34.2.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to foreign currency risk as at the date of statement of financial position.

b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant interest-bearing assets in the financial year 2023.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not significantly exposed to equity securities price risk because it has a very small quantum of investment in equity securities that has been classified as fair value through profit or loss and have already been marked to market.

34.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

a) Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from short-term deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2023	2022
	----- Rupees -----	
Long-term deposits	2,342,084	-
Short-term deposits	63,728	58,496
Short-term deposits	<u>2,405,812</u>	<u>2,400,580</u>

b) The deposits are exposed to credit risk and details of their quality is as follows:

		2023	2022
		----- Rupees -----	
Parties	Credit Quality		
Electricity	Deposits to K-Electric for the electricity services are being obtained .(Considered Good)	2,184,400	2,184,400
Others	Deposits to vendors from whom services are being obtained (Considered Doubtful).	157,684	157,684
		<u>2,342,084</u>	<u>2,342,084</u>

Ageing of past due but not impaired (if any) trade debts are disclosed in note.

The credit quality of Company's bank balances assessed with reference to Pakistan Credit Rating Agency (PACRA) as at June 30, 2022 is as follows:

		2023	2022
		----- Rupees -----	
Banks	Credit Rating (Short term)		
MCB Bank Limited	A1+	647	647
United Bank Limited	A1+	46,089,779	3,279
Meezan Bank Limited	A1+	6,176,944	-
NBP Bank Limited	A1+	<u>31,607,003</u>	<u>2,403</u>
		<u>83,874,373</u>	<u>6,329</u>

34.2.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure to always have sufficient liquidity to meet its liabilities when due. As at reporting date, the Company is exposed to liquidity risk, however, the Company is in the process of negotiating credit lines to meet its financial obligation.

The details of company's non-interest/mark-up bearing liabilities are as follows:

	Within 1 year	1 to 5 years	over 5 years	Total
----- Rupees -----				
As of June 30, 2023				
Long-term deposits	-	-	-	-
Short-term deposits	14,971,512	-	-	14,971,512
Trade and other payables	665,103	-	-	665,103
Accrued liabilities other than - related parties	2,465,997	-	-	2,465,997
Unclaimed dividend	717,420	-	-	717,420
Due to related parties	27,843,013	-	-	27,843,013
Liabilities against non current assets held for sale	-	-	-	-
	46,663,045	-	-	46,663,045
As of June 30, 2022				
Long-term deposits	-	-	45,166,660	45,166,660
Trade and other payables	3,983,010	-	-	3,983,010
Accrued liabilities other than related parties	8,239,479	-	-	8,239,479
Unclaimed dividend	717,420	-	-	717,420
Due to related parties	48,969,260	-	-	48,969,260
Liabilities against non current assets held for sale	40,000,000	-	-	40,000,000
	101,909,169	-	45,166,660	147,075,829

35. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2023	2022
	----- Rupees -----	
Total debts	18,887,187	75,472,143
Less: Cash & cash equivalent	(83,990,373)	(241,109)
Net debt	(65,103,186)	75,231,034
Total Equity	47,417,768	(11,970,293)
Total debt and equity	(17,685,418)	63,260,741
Gearing ratio	368%	119%

36. NUMBER OF EMPLOYEES

The Company had a major breakdown in its plant few years ago, therefore, the plant capacity and the actual production of the Company during the year is Nil (2021: Nil).

The numbers of employees working at factory at the year ended were Nil (2022: 03) and average number of employees at factory during the year were 2 (2022: 04).

37. AUTHORISATION FOR ISSUE

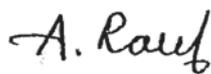
These financial statements were approved on September 28, 2023 by the Board of Directors of the Company.

38. GENERAL

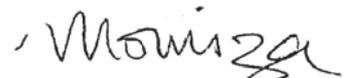
Figures in these financial statements have been rounded off to the nearest of Pak Rupee, unless otherwise stated.



M. HANIF Y. BAWANY
Chief Executive officer



ABDUL RAUF
Chief Financial Officer



MOMIZA HANIF BAWANY
Director

Form of Proxy

The Director
Bawany Air Products Limited
City Office, 16-C, 2nd Floor, Nadir House
I.I.Chundrigar Road

Please quote Folio No.

Reason for shortfall

No. of shares _____

I / We _____ of
_____ being a member(s) of
Bawany Air Products Limited (“Company”), holding _____ Ordinary Share(s) as per Register
Folio No. _____ hereby appoint Mr./Ms. _____
Folio No. (if member) _____ of _____ or failing him /
her, Mr. Ms. _____ Folio No. (if member)
_____ as my / our proxy in my / our absence to
attend and vote for me / us, and on my / our behalf at 45th Annual General Meeting of the Company to be held
on the 26th day of October 2023 and at any every adjournment thereof.

Signed by _____
Signed under my / our hand this the _____ day of _____, 2023

Witness – 1

Witness – 2

Name : _____
CNIC : _____
Address : _____

Name : _____
CNIC : _____
Address : _____

Signature Across
Revenue Stamp

NOTE:

- a. The signature should match with the specimen signature registered with the company.
- b. A Proxy need not be a member of the Company
- c. Proxy Forms properly completed should be deposited at the office of the Company’s Share Registrar, C & K Management Associates (Pvt) Limited, 404 Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi not later than 48 hours (excluding closed days) before the time for holding the Meeting for adjourned Meeting and in default the instrument of Proxy shall not be treated as valid.

For Beneficial Owners as per CDC List

In addition to the above, the following requirements must be met:

- a. Attested copies of valid CNIC or the Passport of the beneficial owners and the Proxy shall be submitted with the Company’s Share Registrar not less than 48 hours (excluding closed days) before the Meeting.
- b. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
- c. The Proxy shall produce his / her original and valid CNIC or Passport at the time of the Meeting.
- d. In case of corporate entity, the Board of Director’s Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form to the Company’s Registrar.

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