



BAP/PSX/2147/22

August 17, 2022

BAWANYAIR
PRODUCTS LIMITED

Mr. Hafiz Maqsood Munshi
Head, Listed Companies Compliance
Pakistan Stock Exchange Limited
Stock Exchange Building
Karachi

Subject: Progress Report June 30, 2022

Dear Sir

With reference to your letter PSX/C-473-1538 dated August 05, 2022 and our letters dated BAP/PSX/2105/22 dated February 10, 2022 and BAP/PSX/2137/22 dated July 01, 2022 and BAP/PSX/2097/22 dated January 07, 2022 regarding the above captioned subject. Enclosed herewith all 3 letters sent to you for your ready reference

Sir we would like to draw your attention that this information is regularly provided to the Exchange through our Annual, Half Yearly and Quarterly Reports and also sent to SECP, various institutions, share holders and Government bodies, the same was also uploaded on PUCARS.

As the case is still pending in the Hon'ble Court of District Judge Lasbela at HUB. The buyer has withdrawn its case but the Hon'ble Senior Civil Judge Mr. Abdul Mueet did not accept the settlement in yesterday's hearing dated 16.08.2022. As the next hearing is on 22.08.2022 and hope that the decision will be passed by the Hon'ble Judge, we shall inform the Exchange as soon as the matter will be finalized.

Enclose herewith Letter to SECP (Annexure 'A').

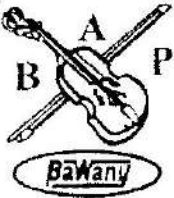
Thanking you
For Bawany Air Products Limited

A. Rauf

Company Secretary

C.C
Managing Director PSX
The Chief Regulatory Officer PSX
Chairman SECP
The Head of Enforcement Department SECP

*17/8/22
5:28*



BAP/PSX/2097 /22

January 7, 2022

Mr. Hafiz Maqsood Munshi
Senior Manager
Listed Companies Compliance Department-RAD
PAKISTAN STOCK EXCHANGE LIMITED
Stock Exchange Building,
Stock Exchange Road,
Karachi

Notice
DT. 5-1-22
Two Notices

Dear Sir,

NON-COMPLIANCE OF PSX REGULATION 5.11.1 (b) AND PROGRESS REPORT

We refer to your notice No.PSX/C-473-30and PSX/Gen-31 dated 05January 2022 on the subject matter. We would like to thank you for guiding us in shifting our Company back to Normal Counter and highly appreciate your comments in this regard.

We would like to inform you that management has made some progress to search an equity investor and terms and conditions are under discussion with several interested equity investors and we are hopeful to materialize deal in near future.

Meanwhile, Company is earning rental income to cover administrative expenses to some extent and has rented out a small part of its property.

Here we would like to seek support and guidance from PSX and would request that such penal action should not be taken as it will:

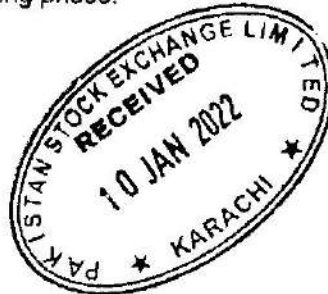
- a) spoil the efforts and progress made by the management as mentioned above and will shatter the interest of any potential equity investor; and
- b) damage the image of the Company and simultaneously interest of the minority shareholders;

We expect a positive and supportive role of PSX and request you again to not to impose any penal regulation to help the Company (and thereby ultimately helping the minority shareholders) to get out of this challenging phase.

Yours truly,

A. Raza

Company Secretary



BAWANYAIR
PRODUCTS LIMITED

BAWANYAIR 21/05/22
February 10, 2022

Mr. Hafiz Maqsood Munshi
Senior Manager
Listed Companies Compliance Department -RAD
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi

01 FEB 2022

Subject: **Intimation of stay order dated 20.09.2021 passed in Suit No 51 of 2021**
(Shahbaz Anwer VS Bawany Air Products Limited and others)

Dear Sir

With reference to your letter PSX/C-473-185 dated 28.01.2022 we would like to state that as our company Bawany Air Products Limited is a Public Limited Company and its Registered Office is situated at Khasra No 52/53, RCD Highway, Mouza Pathara, Tehsil Hub, Lasbella District, Balochistan.

We would like to point out that we have already mentioned in our balance sheets regarding rental income as the management of the company had decided to rent a small godown @ Rs. 150,000/- per month from April 2021 to June 2021 for a short period in order to cover its administrative expense there being no price sensitive / material information it was shown on page number 28 "Statement of Profit and Loss" in other income and also on page number 48 in Note 33 as rental income of the Financial Statements June 2021 which was discussed and approved by the share holders of BAPL in the Annual General Meeting held on 25.11.2021. Hard copies of printed accounts had been sent to PSX and SECP and also uploaded on PUCARS and website of the company. In the first quarter September 2021 Rental Income is mentioned in the 2nd paragraph of the Director Report and also shown in the Profit & Loss Accounts in other operating income, as the management of the company had no option left but to rent the small godown for another short period. Hard copies of printed accounts had been sent to PSX and SECP and also uploaded on PUCARS and website of the company as required by rules and regulations. We would like to further inform you that we had rented out a small godown in April 2021 and the interim stay order was issued (without hearing) in September 2021. As M/s Sajeel Mirza Mann & Shah on behalf of their client Shahbaz Anwer has obtained interim stay order (without hearing) in September 2021 and the decision of case is still pending in the Honorable Court of District Judge Lasbella at Hub the claim is baseless and false and for this reason we are not supposed to respond to them.

After approval from our Share holders in the EOGM held on June 02, 2020 the company had advertised a tender in 2 news papers Business Recorder and Roznama Duniya on June 10, 2020 many buyers approached the company and the management had approved ABC Marine (ABC Group) through their representative sent by their chairman Shahbaz Anwer for the sale of land, building, and certain machinery which would be disposed off after completing all legal formalities and the said information was disclosed to the PSX and SECP and PUCARS but the agreement for sale could not be completed as the buyer had failed to make its due payments on agreed timeline inspite the fact the seller had given further 6 months extension on the expiry of the original time agreement but the payment was not made in the agreed time line according to the terms and conditions of the Agreement. The buyer has filed a suit against the company in the Honorable Court of District Judge Lasbella at Hub and BAPL has filed a counter suit against the buyer. As the decision of case is pending in the Honorable Court of District Judge Lasbella at Hub the claim of M/s Sajeel Mirza Mann & Shah on behalf of their client Shahbaz Anwer is baseless and false and for this reason we are not supposed to respond to them.

We believe that our company is being unnecessary harassed due to some personal interest of a third party which is not correct. As no decision was taken on hearing in the Honorable Court of District Judge Lasbella at Hub today 10.02.2022 and our next hearing is scheduled on 16.02.2022 and the decision shall be informed to the exchange accordingly. Hope our letter explains and clearly states all the facts and information as required in your letter.

We therefore request you to kindly reply to M/s Sajeel Mirza Mann & Shah's letter that they should approach the Honorable Court of District Judge Lasbella at Hub instead of writing to PSX and SECP and request you to send copy of your reply letter to BAPL for our record. We reserve our rights to take any legal remedies which may be available to us.

For Bawany Air Products Limited

Company Secretary *A. Raub*
Cc: 1. The Chief Regulatory Officer - PSX
2. Managing Director - PSX

3. Chairman SECP
10 FEB 2022

City Office: 16-C, 2nd Floor, Nadir House I.I, Chundrigar Road, Karachi-74700. Tel: (92-21) 32400440-3

Plant: Khasra No. 52/53 R.C.D. Highway Mouza Pathara Tehsil Hub Lasbella District Balochistan Tel: 0853-363287-89 Fax: 0853-363296



BAWANYAIR
PRODUCTS LIMITED

Notice Date
29.6.22

BAP/PSX/2137/22
July 1, 2022

✓ Mr. Hafiz Maqsood Munshi ✓
Senior Manager
Head, Listed Companies Compliance
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi



Subject: PROGRESS REPORT JUNE 30, 2022

Dear Sir

With reference to your letter PSX/Gen-1282 dated June 29, 2022 regarding above subject matter.

We highly regret that the Progress Report for the quarter March 31, 2022 was not submitted in time as it was unintentionally overlooked due to lack of man power and less working hours in the Holy month of RAMADAN.

As informed to you earlier that the case of Land Building and certain Machinery is pending in the Court and as the next hearing is fixed on July 04, 2022 and will inform you as soon as the case is finalized..

Further we would like to inform you that ad-interim stay (without hearing) was vacated by the Court on April 20, 2022.

The buyer had filed an appeal in the Court of ADD: District Judge II Lasbella at Hub and we have filed a counter Objection/Reply of Appeal.

Thanking you
For Bawany Air Products Limited

A. Raub

Company Secretary
CC: The Chief Regulatory Officer - PSX



BAP/PSX/2148/22
August 17, 2022

BAWANYAIR
PRODUCTS LIMITED

Annexure - A

Mr. Irfan Afzal
Joint Director
Securities & Exchange Commission of Pakistan
Listed Companies Supervising Wing
NIC Building, 63 Jinnah Avenue
Islamabad

SUB: COMPLAINT AGAINST BAWANY AIR PRODUCTS LIMITED

Dear Sir

With reference to your letter EMD/233/480/2002/-33 dated August 03, 2022 and Extension letter EMD/233/480/2002/-38 dated August 10, 2022 regarding the above mentioned subject.

We would like to request you not to pressurize us by asking for the reply to your letters giving us very short time period. As the case is still pending in the Hon'ble Court of District Judge Lasbella at HUB. The buyer has withdrawn its case but the Hon'ble Senior Civil Judge Mr. Abdul Muqeeet did not accept the settlement in yesterday's hearing dated 16.08.2022. As the next hearing is on 22.08.2022 and hope that the decision will be passed by the Hon'ble Judge, we shall inform SECP as soon as the matter will be finalized.

We enclose herewith the following:

Annexure 'A' prior to the hearing dated 16.08.2022.

Annexure 'B' Court Judgment order

Thanking you
For Bawany Air Products Limited

A. Rauf

Company Secretary

C.C
Managing Director PSX
Mr. Hafiz Maqsood Munshi Head, Listed Companies Compliance, PSX
Chairman SECP
Mr. Abdul Khan Tareen Company Record Officer SECP



SAP/SECP/2146/22
August 11, 2022

Mr. Irfan Afzal
Joint Director
Securities & Exchange Commission of Pakistan
Listed Companies Supervising Wing
NIC Building, 63 Jinnah Avenue
Islamabad

SUB: COMPLAINT AGAINST BAWANY AIR PRODUCTS LIMITED

Dear Sir

This is in with reference to your letter number EMD/233/480/2002/-33 dated 03.08.2022 along with copy of complaint dated 26.02.2022 filed by Sajee Mirza Mann & Shah Advocates on behalf of Shahbaz Anwer against our company.

We have gone through the entire contents of the alleged notice, which are misconceived, false, baseless, frivolous and concocted having no substance and truth, hence are denied. It is worth to mention here that this matter is already pending before the Court of Senior Civil Judge HUB in Suit No. 51/2021. Hence the fictitious complaint is not maintainable before your good office.

For your information it is to clarify that the entire version of the complainant are misleading and false because the Hon'ble Civil Judge of HUB has dismissed the Injunction Application (Stay Application) of the complainant vide order dated 20.04.2022.

The complainant had challenged the said order before the Additional District Judge No. II of HUB, through Civil Appeal No. 04/2022. The said appeal is also dismissed vide order dated 20.07.2022. For your ready reference the copy of the order dated 20.07.2022 is annexed hereto and marked as 'A'.

The agreement of the complainant has already been cancelled / revoked because he had no fund to complete the said transaction and this material fact the complainant has admitted in the aforementioned suit and offered to provide security in the shape of photocopy of a small town house of an unknown person instead of making payment, which was not the essence of the contract.

In light of the facts narrated hereinabove the alleged complaint is not maintainable at this Forum and the end of justice will be better served, when the same is rejected / dismissed accordingly.

For Bawany Air Products Limited

Company Secretary / CFO

IN THE COURT OF ADDITIONAL DISTRICT JUDGE-II HUB

Civil Appeal No.04/2022

Shabaz Anwar S/o Amir Anwar
Resident of House No.27, Khayaban e Shamsheer, DHA Karachi
Through attorney Hafiz SaqlainAppellant/plaintiff

V E R S U S

1. Bawany Air Products Limited
A public limited company established under the laws of Pakistan,
Office at Khasra No.54, 53 RCD Highway, Mouza Pathra Tehsil Hub District
Lasbela & Head Office at 16-C, 2nd floor, Nadir House I.I Chundrigar Road
Karachi, Sindh
2. Hanif Y. Bawany S/o Yahya Ahmed Bawany
House No.58/1, 10th Street Khayaban e Mujahid, Phase V DHA Karachi
3. Balochistan Revenue Authority through its Senior Member
Having office at BRA Head Office Floor, Block-14, Civil Secretariat,
Zargoan Road Quetta
4. Tehsildar Hub, District Lasbela
5. Sub-Registrar Hub, District LasbelaRespondents/ defendants

**APPEAL UNDER ORDER XLIII RULE 1 R/W SECTION 104 C.P.C
AGAINST THE ORDER DATED 20-04-2022, PASSED BY THE
LEARNED SENIOR CIVIL JUDGE HUB WHEREBY THE
APPLICATION U/O 39 RULE 1 & 2 OF C.P.C WAS DISMISSED**

Mr. Abid Kasi Advocate for Appellant
Mr. Moda Dad Advocate for respondent No.1 & 2

ORDER
20-07-2022



1. Through this order I shall dispose of above titled appeal, filed by the appellant / plaintiff under section 104 C.P.C against the order dated 20th April, 2022 passed by Senior Civil Judge Hub, whereby application under order 39 Rule 1 & 2 CPC was dismissed.
2. After registration of appeal, notices were issued to respondents/defendants. The defendant No.1 & 2 appeared through their counsel and contested the appeal. While, the respondent No. 4 & 5 despite service of summons and providing opportunities remained fail to appear before the court. The respondent No.4 & 5 were proceeded against ex-parte. The respondent No.3 was not include in suit before trial court, so the name of respondent No.3 was deleted from instant appeal.

3. I have heard the arguments from both sides and perused the record/documents annexed with the appeal. Record shows that the appellant / plaintiff filed an application under order 39 Rule 1 & 2 CPC execution application alongwith suit with wherein appellant / plaintiff mainly prayed for grant of interim injunction by restraining defendants / respondent from selling, transferring, alienating, encumbering, parting with possession of or third party interest. And after hearing both the parties, the trial court dismissed the application under order 39 Rule 1 & 2 CPC of appellant/plaintiff vide order dated 20th April, 2022.

4. Record reveals that appellant / plaintiff and respondents / defendants No.1 & 2 had entered in a sale agreement on 4th July 2020 whereby the defendants company "BAWANYAIR PRODUCTS LIMITED" had sold their 6 acre land, building, plant & machinery along with auxiliary machinery/ parts to appellant / plaintiff against a total consideration of one hundred and sixty three million five hundred thousand rupees and they had obtained advance of thirty million rupees. Later on they had further sold plant and machinery and had received certain amount being part of transaction. It is admitted that some part of the agreement had been performed in time while larger part was remaining in terms of remaining part of consideration and fulfillment of reciprocal obligations. Time was the essence of agreement and it was set at four months from the date of agreement, set to expire on 7th November 2020. However, parties mutually extended the said time vide acknowledgment dated 28th September 2020 to complete the "respective obligations", new limit was set at 30th May, 2021. Defendant had been kept agitating on this fact mainly and saying that the agreement had annulled for default of plaintiff in timely payment and thus no legal character was available to appellant/plaintiff for filing the suit.

5. Furthermore, appellant / plaintiff had made an advance payment of rupees thirty million at the time of signing of agreement and then Rs. 18,720,000/- (eighteen million seven hundred and twenty thousands) were also claimed to have been received by respondent / defendant No.1 from Ghani Chemical Industries Limited, subject to sale of machinery duly purchased by plaintiff through original agreement. Then appellant / plaintiff claimed to have had paid Rs. 3,200,000/- Rupees three million two hundred thousands through two pay orders and Rs. 3,100,000/- (three million one hundred thousand) in cash



in terms of payment. Respondents / Defendants admit some payments in terms of agreement and hold that some payment was about two extra trucks, trucks claimed in the pretext of the sale agreement. Whatever the case may be, facts in issue and relevant facts can only be tested at the anvil of fair trial and this is not the stage to draw some conclusive opinion summarily on the basis of facts laid in pleadings. However, the factual controversies directly related to legal aspects of the matter can not only be discussed in detail prematurely but can be decided ultimately if certain evidence or juncture may be available sufficiently. The appellant / plaintiff claims that Rs. 98,500,000/- (ninety eight million five hundred thousand only) was the actual outstanding amount, which is big in nature. Whatever the case may be, when time was made essence of contract and parties had agreed to complete the transaction within four months and then an extension was also agreed and the deadline was decided as 30th May, 2021, it was obligatory upon respective parties to carry out their respective tasks as agreed and then seller had to hand over vacant and peaceful possession of the property with clean title of land and building free of all charges, mortgages and encumbrances. Reciprocal promises were made and respective obligations were set. Based on mere pleadings, conclusion cannot be drawn as to who had committed default in the as such and it is not a simple case of mere appellant / plaintiff's default that he had committed default in payment of remaining part of consideration in time as agreed but certain faults are apparent on the part of respondents / defendants as well. And thus the matter in hand cannot be decided summarily in terms of facts in issue, as agitated by defendants seeking dismissal of suit summarily alleging default against plaintiff only. Hands of respondents / defendants are not clean and court suspects element of fraud and misappropriation in the case in hand.

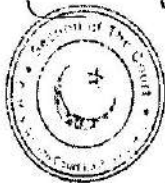
6. Moreover, documents placed on file shows that Defendant Company was in attempt to dispose of its properties / assets in a manner amounting to misappropriation. Record reveals that large numbers of share of factory were sold out to the general public and now the company was left with some shares. As the Company had sold about 69% shares to general public and now if they dispose of the whole land, machinery and plant, company will be left with nothing other than a mere name which will cause loss to its share holder i.e. general public. In addition to this, the authority vested in Board of Directors was subject to certain cautions and the company was not unconditionally empowered to sell or dispose of core assets or closure of business operation without there being a viable

alternate business plan. The rights and investments of shareholders were involved as well and thus such a decision was not lawful without the participation of majority shareholders i.e. general public. The Sale Agreement is not enforceable in these circumstances.

★

7. Thus, from the above mentioned facts, discussion and appraisal of whole case record it can be concluded that the learned trial court after minute assessment of documents and proper scrutiny of record has passed the Order dated 20th April, 2022 on Application Under Order 39 Rule 1 & 2 CPC and the learned counsel for appellant/plaintiff failed to point out any illegality or irregularity in the Order dated 20th April, 2022 of Learned Senior Civil Judge. As such the learned trial court has rightly passed the Order dated 20-04-2022, which needs no interference by this court and the same is hereby upheld. The instant appeal No. 04/2022 is dismissed. Copy of this Order be sent to trial court / Learned Senior Civil Judge Hub for information. File after completion and compilation be consigned to the record.

Given under my hand and seal of the court this 20th day of July, 2022



Announced in open court

- Sd/-
(Zahoor Ahmed Langove)
Additional District Judge-II
Lasbela at Hub

Certified to be true Copy
SUPDP:
District & Session Judge Lasbela at Hub
under 57 of the Criminal Procedure Order 1973

Compared by

Sanction Writer

23/7/22

1424
Name of Applicant
Date of Applicant 21-07-22
Date of Sanction 21-07-22
Date of Rejection 23-07-22
Date of Filing 23-07-22
No. of Pages 400
Copying Fee 20/-
Records Fee 4/-
Name of Copyist Nadia Bano