



BAWANYAIR
PRODUCTS LIMITED

BAP/SECP/ 2153/22
September 06, 2022

Mr. Irfan Afzal
Joint Director
Listed Companies Supervision Wing
Off site- II Department, Supervision Division
Securities & Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue
Islamabad

NOTICE DATE
29/9/22

Dear Mr. Irfan Afzal,

Subject : Review of Annual Audited Financial Statement for the year ended June 30, 2021

Reference to your letter EMD/233/480/2002/-63 dated September 02, 2022 in which you allowed 5 days to furnish the reply. We would like to state that your letter was received yesterday 5th September 2022 at 2:20 pm and as Saturday and Sunday are closed, we are left with only two days time to reply.

We have mentioned in our previous communications that our case was pending under litigation for over last 2 years and we had just received the final judgment, which was also sent to you dated 29 August 2022 via letter no.BAP/PSX/2151/22 and received at your office on dated 30 August 2022 by your Mr. Zubair.

We would like to clarify that until we have completely received the amount and have paid off our liabilities only then we will be able to finalize the alternate business plan. Given the current economic situation and political instability that we are going through these days, there are many alternates that the Board considered and dropped based on the prevailing circumstances. The decision to sell the Land Building and some parts of machinery is part of a strategic plan which requires time and attention on part of buyer as well as seller but with constant follow-ups and pressure from regulatory authorities, the counter party exploits and tries to negotiate a lower price, which is detriment to the interest of minority shareholders.

Through our earlier communications, we informed that controlling shares were to be sold to Fossil Energy (Private) Limited (Fossil) and the transaction was handled by RSRIR Chartered Accountants through Mr. Abdur Rab and Mr. Sheikh Mohammad Waseem from our side and from Fossil side it was done by Intertrade / Inter marketing company and lawyer Mohsin Tayebaly & Co. Fossil had taken the permission with a proposal to sell the land and building and make the Company debt free by payment of liabilities and loans. Unfortunately, due to their involvement with HASCOL, Fossil could not complete the deal.

Contd. Page 2



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(Page 2)

We would again like to request to not to pressurize and wait for the counter party to complete the sale transaction and give us sufficient time to decide. We must first receive full payment and pay off the liabilities and then check available options for the rest of the funds. In the meanwhile, we may also try to get equity capital investment from the close family members or external investors. There are many considerable options before the Board, but the finalization depends on conclusion of sale transaction and we assure you that as soon the Board decides, we shall inform the SECP and PSX accordingly.

Thanks and regards,

A. Raub

Chief Financial Officer
Bawany Air Products Limited

c.c

~~The Chairman SECP~~

✓ Managing Director PSX ✓

President KCCI

President FPCCI

Mr. Saleem Thepdawalla Legal Advisor

