

CORPORATE BRIEFING SESSION JUNE 2019

BAWANYAIR PRODUCTS LIMITED

Company Brief

Bawany air Products Limited (the Company) is a public limited Company incorporated in Pakistan on August 16, 1978. The Company is currently listed on Pakistan Stock Exchange Limited. The principal activities of the Company are production and trading of oxygen gas, dissolved acetylene and nitrogen gas. The manufacturing facilities are located at Hub Industrial Estate, Tehsil Hub in the province of Balochistan. The registered office of the Company is situated at Khasra No. 52/53 R.C.D. Highway, MouzaPathara, Tehsil Hub, Lasbella District, Balochistan.

Strategic / Operational Developments

Company is evaluating different option to reduce the cost of doing business by evaluating purchasing options of gases from different suppliers. For this purpose, Company has managed to enter a contract for repairs and maintenance contracts of faulty equipments which were already finalized with different vendors but the financial side has yet to be arranged as the company is looking for investors who would come in as an equity investor rather than debt.

Company is in the process to find investors and exploring various other options which may result in improvement in its adverse liquidity and financial position.

Financial Details

The Financial Highlights of the Company for the year ending June 2019 as compared to last years are as follows:

	2019	2018
Sales	51,909,593	89,088,321
Cost of sales	(51,526,899)	(84,695,888)
Gross Profit	382,694	4,392,433
Distribution cost	(3,141,537)	(3,529,276)
Administrative expenses	(8,864,264)	(11,767,094)
Other operating expenses	(14,124,836)	(4,797,008)
Un-realised (loss) / gain	(15,960)	(1,224)
Other Income	6,742,053	1,289,798
Operating loss	(19,021,850)	(14,412,371)
Finance cost	(796,091)	(934,697)
Loss before Taxation	(19,817,941)	(15,347,068)
Taxation	5,350,890)	2,707,087
Loss after Taxation	(14,467,052)	(12,639,981)

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- Revenue has declined by Rs. 37 million. Company has managed to sale only 1,325,635 cubic meter of oxygen in 2019 as compared to 2,253,775 cubic meter in 2018. Major reason for reduction in quantity, due to major part of Gaddani Ship Breaking Yard is closed.
- Gross profit has declined by Rs. 4.01 million mainly due to lower volumes.
- During the year, Company has managed to reduce its administrative cost by around Rs. 3 million in comparison with 2018. Major reductions pertains to reduction in head counts during the year.

Financial Highlights for last 10 years

Year	Sales – Net	Gross Profit	Loss before taxation	Shareholder’s Equity	Total current assets	Total current liabilities	Earnings per share
	Rupees in million						Rupees
2010	209.51	48.19	35.07	72.88	30.56	81.60	7.42
2011	195.44	48.80	22.27	89.34	22.01	50.04	1.75
2012	209.97	49.08	15.29	97.56	21.09	48.96	1.02
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)	52.05	16.22	83.88	(1.68)
2019	51.91	0.38	(19.82)	37.90	10.53	85.14	(1.93)

For Bawany Air Products Limited