



BAWANY AIR PRODUCTS LIMITED

**FORTY SEVENTH
ANNUAL REPORT
2025-2026**

BAWANY AIR PRODUCTS LIMITED

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Naim Anwer (Chief Executive Officer)
Mr. Mohabat Khan
Mr. Zahir Khan
Mr. Muhammad Ali
Mr. Suhail Elahi
Ms. Saba Azam
Ms. Huma Javaid

AUDIT COMMITTEE

Ms. Saba Azam (Chairman)
Mr. Mohabat Khan
Mr. Muhammad Ali

HR, REMUNERATION, NOMINATION AND SUSTAINABILITY COMMITTEE

Ms. Huma Javaid (Chairman)
Mr. Muhammad Ali
Ms. Saba Azam

HEAD OF INTERNAL AUDIT

Mr. Muhammad Munir

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammad Munir

AUDITORS

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

BANKERS

United Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Bank Makramah Limited
Bank Alfalah Limited

SHARE REGISTRAR

F.D. Registrar Services (Pvt) Ltd.
17th Floor, Saima Trade Tower-A
I.I. Chundrigar Road, Karachi-74000
Te: 021-32271905-6

OFFICE

2nd Floor, Nadir House,
I.I. Chundrigar Road,
Karachi
Tel: 021-32415473

BAWANY AIR PRODUCTS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Eighth Annual General Meeting of the Company will be held at the office situated at 2nd Floor, Nadir House, I.I. Chundrigar Road, Karachi, Sindh on Wednesday 28th October 2026 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 47th AGM held on November 27th, 2025.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2026 together with the Chairman's review, Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following QR enabled code:



3. To appoint auditors for the year 2026-2027 and fix their remuneration.
4. Transact any other business with permission of chair.

Karachi: October 06, 2026

By order of the Board
Company Secretary

NOTES:

1. The Share Transfer Books of the Company shall remain closed from October 22, 2026 to October 28, 2026 (both days inclusive). Transfers received at our registrar office M/s F. D. Registrar Services (Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi by the close of business on October 21, 2026 will be treated in time.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend, speak and vote instead of him/her behalf at the meeting. Proxies, in order to be valid, must be received at the registered office of the Company not later than 48 hours before the meeting. A member shall not be entitled to appoint more than one proxy.
3. Central Depository Company (CDC) shareholders are requested to bring their Computerized National Identity Cards, Account/Sub-Account and Participant's ID Number in the CDC for identification purpose when attending the meeting. In case of corporate entity, the Board's Resolution/Power of Attorney with specimen signature shall be furnished (unless it has been provided earlier) at the time of meeting.
4. Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of the Company are requested to send the same at the earliest.
5. Shareholders are requested to notify to the Company's Share Registrar immediately of any change in their addresses.
6. The Company has arranged for participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.). In this regard, the interested shareholders can request by providing the

relevant information (i.e. Name of the Shareholder, CNIC Number, Folio / CDC Account Number, Cell Number, Email Address etc.) to the Company Secretary at least 48 hours before the time of AGM at Email Address: munir.ismail@bawanyair.com, arsalan.sabir@bawanyair.com

7. Members have the option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Members can give their consent in this regard on prescribed format to the Shares Registrar. The Audited Accounts of the Company for the year ended June 30, 2026 are also available on the Company's website: www.bawanyair.com.
8. In accordance with the directive issued by the SECP vide it is S.R.O. 452(I)/2025 dated March 17, 2025 the Company would like to inform all the shareholder that no gifts will be distributed at the meeting.
9. Form of Proxy is enclosed.

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, 2026.

Overview of performance of the Company and the Board

The Company incurred a net loss of Rs. 63.048 million for the year ended June 30, 2026, compared to a loss of Rs. 54.049 million in the previous year. As a result, accumulated losses increased to Rs. 167.327 million as of June 30, 2026.

Business Transformation

The authorized capital has been raised to PKR 12.10 billion. ASSML's 10,000 MT/day sugar plant under construction at Dera Ismail Khan is expected to generate dividends and enhance shareholder value.

Frequency of the meetings

During the year five (4) meetings of the Board of Directors, four (4) meetings of its Audit Committee and four (1) 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.

Naim Anwar

Chairman

Karachi

Dated: October 6, 2026

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, 2026.

OVERVIEW

The year 2026 has seen revival of the Company with change in object clause from manufacturing, production and trading of oxygen gas, dissolved acetylene and nitrogen gas to invest in and acquire and hold and otherwise deal in shares, stock, debenture, debenture stock, bonds, obligations and securities issued or guaranteed. The Company has signed Share Purchase Agreement with Alman Seyyem Sugar Mills (Pvt.) Limited (ASSML) whereby the Company will acquire 100% shareholding in ASSML from the sponsor shareholders of ASSML and in consideration of this acquisition the Company will issue shares Otherwise than Right to the Sponsor shareholders of ASSML. Subsequent to year end, Shares Otherwise than Right have been issued to the sponsors shareholders of ASSML prior to which Public Offer under Takeover Regulations was also completed by the recipients of shares Otherwise than Right.

The Company has also announced 98.76% Right shares which will be offered to existing shareholders. The authorized capital of the company has been increased to PKR 11 billion and subsequently to 12.1 billion for which a fee of PKR 45.6 million has already been paid.

The acquisition of ASSML a 10,000 MT / Day crushing capacity plant situated in Dera Ismail Khan is expected to start production in the current crushing season. The acquisition of ASSML will greatly benefit the shareholders. ASSML plant components are of Pakistan, UK, German, Japan and China origin. With 10,000 MTCD already planned, ASSML has targeted a substantial share in the local and international markets as a quality producer of refined white sugar & molasses. By investing in ASSML the company can earn return in the form of dividends, consequently give returns to the shareholders.

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

Description	2026	2025
	Rupees	
Current Assets	3,178,814,104	3,184,701,641
Current Liabilities	1,478,664	5,373,123
Equity	(92,302,585)	(29,254,312)
(Loss) after taxation for the year	(63,048,273)	(54,048,786)
Net (decrease) in cash and cash equivalents	(1,785,447)	(19,192,991)

PERFORMANCE ANALYSIS:

Current Assets and Current Liabilities

The company's current assets decreased substantially from Rs. 3,184,701,641 in 2025 to Rs. 3,178,814,104 in 2026. Current liabilities decreased from Rs. 5,373,123, in 2025 to Rs. 1,478,664 in 2026.

Net Loss:

The company reported a net loss after tax of Rs. 63,048,273 in 2026, compared to a net loss of Rs. 54,048,786 in 2025. The increase in net loss is largely due to trading of shares.

AUDIT REPORT AND MANAGEMENT COMMENTS THEREON

Basis for Qualified Opinion

Advance to Related Party

The auditors have included qualification as to the terms and conditions of the advance of PKR 3,174,110,000 to Alman Seyyam Sugar Mills (Pvt.) Limited (ASSML). The advance is given for the purpose and stated in Right announcement dated 26th August 2024 and 2nd September 2026.

Short Term Investments

The qualification as to purchases and sales of listed securities, including securities of related parties, through its broker accounts are in line with the object clause of the company. Any loss incurred is due to market conditions. It is a normal practice to give cheque as security in case the shares are purchased on MTS. The company has a well-defined investment policy.

KEY OPERATING AND FINANCIAL DATA FOR LAST 10 YEARS

Year	Total profit / (loss)	Profit / (loss) before taxation	Shareholder's equity	Total current assets	Total current liabilities	Earnings per share
2016	5.12	(17.66)	58.00	17.82	63.43	(2.35)
2017	2.24	(19.14)	42.35	15.43	71.26	(2.14)
2018	4.39	15.35	62.58	16.22	79.66	(2.19)
2019	0.38	(19.82)	37.90	10.53	85.14	(1.93)
2020	(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
2024	-	(22.46)	24.79	30.58	6.51	(3.02)
2025	0.05	(54.05)	(29.25)	3,184.70	5.373	(7.20)
2026	(43.92)	(63.05)	(92.30)	3,178.81	1.479	(8.40)

BOARD OF DIRECTORS

Following are the changes in the composition of Board of Directors during the year ended June 30, 2026:

NEW DIRECTORS	OLD DIRECTORS
Ms. Huma Javaid	Mr. Afzal Shehzad

AUDITORS

The present auditors, M/s Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants shall retire at the conclusion of the Annual General Meeting, and being eligible, for re-appointment as external auditors for the year ending June 30, 2027.

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) 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;
- g) Key operating and financial data for the last ten years have been summarized;

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. Naim Anwar	4
Mr. Mohabat Khan	4
Mr. Zahir Khan	4
Mr. Muhammad Ali	4
Ms. Huma Javaid	4
Mr. Suhail Elahi	4
Ms. Saba Azam	4

- h) The pattern of shareholding is annexed; and
- i) 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

Naim Anwar
Chief Executive Officer
Karachi
Dated: October 6, 2026

Muhammad Ali
Director

ڈائریکٹر ان رپورٹ برائے ممبران

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2026 ختم ہونے والے مالیاتی سال کی رپورٹ بمعہ آڈٹ شدہ مالیاتی غوشوارے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

جائزہ

سال 2026 کمپنی کی بحالی کا سال ثابت ہوا۔ کمپنی کی شق میں تبدیلی کی گئی جس کے تحت کمپنی آکسجن گیس، تحلیل شدہ ایسیٹیلین اور نائٹروجن گیس کی تیاری، پیداوار اور تجارت کی بجائے اب کمپنی حصص، اسٹاک، ڈیپنڈرز، ڈیپنڈرز اسٹاک، بانڈز، مالیاتی ذمہ داریوں اور دیگر سیکیورٹیز سرمایہ کاری کرنے اور انہیں حاصل کرنے، اپنے پاس رکھنے، واجبات، اور جاری کردہ یا ضمانت شدہ سیکیورٹیز اور ان سے متعلق دیگر معاملات انجام دینے کی مجاز ہے۔ کمپنی نے المان صیام شوگر ملز پرائیویٹ لمیٹڈ (ASSML) کی حصص کی خریداری کا معاہدہ کیا ہے، جس کے تحت کمپنی (ASSML) کے اسپانسرز شیئر ہولڈرز یا سے 100 فیصد حصص حاصل کرے گی، اور اس حصول کے عوض کمپنی ASSML اسپانسرز شیئر ہولڈرز کو نئے شیئرز جاری کرے گا جو کے رائٹ کے علاوہ (Otherwise than Right) ہیں۔ مالی سال کے اختتام کے بعد کمپنی ASSML اسپانسرز شیئر ہولڈرز کو نئے شیئرز (Otherwise than Right) جاری کر دے ہیں، اس سے قبل حصص وصول کنندگان کی جانب سے ٹیک اور ریگولیشنز کے تحت پبلک آفر کا عمل بھی مکمل کر لیا گیا تھا۔

کمپنی نے موجودہ شیئرز ہولڈرز کو 98.76% رائٹ شیئرز پیش کرنے کے لئے جاری کرنے کا اعلان کیا ہے۔ کمپنی کا مجاز سرمایہ بڑھا کر 11 ارب پاکستانی روپے کر دیا گیا ہے، جسے بعد ازاں مزید بڑھا کر 12.1 ارب پاکستانی روپے کر دیا گیا ہے، اس سلسلے میں 45.6 ملین پاکستانی روپے فیس پہلے ہی ادا کی جا چکی ہے۔

ASSML کا حصول، جو ڈیرہ اسماعیل خان میں واقع 10,000 میٹرک ٹن یومیہ گنے کی کرشنگ صلاحیت کا پلانٹ ہے، توقع ہے کہ موجودہ کرسنگ سیزن میں پیداوار شروع کر دیگا۔ ASSML کا حصول کمپنی کے شیئرز کے لئے انتہائی فائدہ مند ثابت ہونے کی توقع ہے۔ ASSML پلانٹ کے مختلف پرزہ جات اور اجزاء پاکستان، برطانیہ، جرمنی، جاپان اور چین سے تعلق رکھتے ہیں کا ہے۔ 10,000 میٹرک ٹن یومیہ منصوبہ بند پیداواری صلاحیت کے ساتھ ASSML کاریفائنڈ سفید چینی اور شیرے (molasses) کے معیاری پیکار کے طور پر مقامی اور بین الاقوامی منڈیوں میں نمایا حصہ حاصل کرنا ہے۔ ASSML میں سرمایہ کاری کر کے کمپنی ڈیویڈنڈ کی صورت میں منافع حاصل کر سکتی ہے، اور نتیجتاً شیئر ہولڈرز بھی منافع فراہم کر سکتی ہے۔

گزشتہ سال کے مقابلے میں کمپنی کی مالی جھلکیاں حسب ذیل ہیں۔

2025

2026

تفصیل

روپے

3,184,701,641

3,178,814,104

موجودہ اثاثہ جات

5,373,123

1,478,664

موجودہ واجبات

(29,254,312)

(92,302,585)

ایکویٹی

(54,048,786)

(63,048,273)

نقصان (سال کے دوران ٹیکس کے بعد)

(19,192,991)

(1,785,447)

خالص (کمی) نقد رقم نقد رقم کے مساوی اثاثہ جات

کارکردگی کا تجزیہ:

☆ موجودہ اثاثے اور موجودہ واجبات

کمپنی کے موجودہ اثاثہ 2025 میں 3,184,701,641 سے نمایا طور پر کم ہو کر 2026 میں 3,178,814,104 ہو گئے، موجودہ واجبات 2025 کے 5,373,123 روپے سے کم ہو کر 2026 میں 1,478,664 روپے ہو گئے۔

☆ خالص نقصان

کمپنی نے 2026 میں ٹیکس کے بعد 63,048,273 روپے کا خالص نقصان کیا، 2025 میں یہ نقصان 54,048,786 روپے تھا۔ خالص نقصان میں اس اضافہ کی بڑی وجہ حصص تجارت ہے۔

آڈٹ رپورٹ اور انتظامیہ کے تبصرے

مشروط رائے کی بنیاد

متعلقہ فریق کو پیشگی ادائیگی (ایڈوانس)

آڈیٹرز نے المان صیام شوگر ملز پرائیویٹ لمیٹڈ کو دی گئی 3,174,110,000 پاکستانی روپے کی پیشگی ادائیگی کی شرائط و ضوابط کے حوالے سے تحفظات کا اظہار کیا۔ یہ پیشگی رقم رائٹ آفر (Right Offer) میں بیان کردہ مقاصد اور شرائط و ضوابط کے مطابق دی گئی ہے۔

قلیل مدتی سرمایہ کاری

بروکر اکاؤنٹس کے ذریعے لٹھریٹڈ سیکورٹیز (بشمول متعلقہ فریقین کی سیکورٹیز) کی خرید و فروخت کے حوالے سے اٹھائے گئے نکات کمپنی کے آجیکٹ کلاز (مقاصد کی شق) کے عین مطابق ہے۔ ایم ٹی ایس (MTS) پر شیئر کی خریداری کی صورت میں سیکورٹی کے طور پر چیک دینا ایک معمول کا عمل ہے۔ کمپنی کی سرمایہ کاری کی پالیسی واضح اور متعین ہے۔

گزشتہ 10 سالوں کے کاروباری اور مالیاتی اعداد و شمار

سال	خام منافع / (خسارہ)	منافع / (خسارہ) قبل از ٹیکس	حصص یافتگان کی ایکویٹی	کل رواں اثاثے	کل واجبات	فی حصص آمدنی
						روپے
2016	5.12	-17.66	58.00	17.82	63.43	-2.35
2017	2.24	-19.14	42.35	15.43	71.26	-2.14
2018	4.39	15.35	62.58	16.22	79.66	-2.19
2019	0.38	-19.82	37.90	10.53	85.14	-1.93
2020	-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
2024	-	-22.46	24.79	30.58	6.51	-3.02
2025	0.05	-54.05	-29.25	3,184.70	5.373	-7.20
2026	-43.92	-63.05	-92.30	3,178.81	1.479	-8.40

بورڈ آف ڈائریکٹر

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز میں درجہ ذیل تبدیلیاں ہوئی۔

نئے ڈائریکٹر	پرانے ڈائریکٹر
ہما جاوید	محمد افضل شہزاد

آڈیٹرز

موجودہ آڈیٹرز نوید ظفر اشفاق جعفری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے اور 30 جون 2027 کو ختم ہونے والے سال کے لئے بطور بیرونی آڈیٹرز دوبارہ تقرری کے اہل ہیں۔

اسٹیٹمنٹ آف کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- ☆ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات کافی حد تک معاملات کی حیثیت، اس کے آپریشنز اور کیش فلو کا نتیجہ اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- ☆ کمپنی کے کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں
- ☆ مالیاتی بیان کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ☆ بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
- ☆ اندرونی کنٹرول کا نظام درست ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- ☆ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی فیئر رکھل اخراج نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط، استثناء اگر کسی کو کارپوریٹ گورننس کے ضابط کی تعمیل میں بیان کی گیا ہے۔
- ☆ پچھلے دس سالوں کے اہم آپریشننگ اور مالیاتی ڈیٹا کا خلاصہ کی گیا ہے۔

سال کے دوران بورڈ آف ڈائریکٹر کے 14 اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری درجہ ذیل ہے۔

4	جناب نعیم انور
4	جناب محبت خان
4	جناب طاہر خان
4	جناب محمد علی
4	محترمہ ہما جاوید
4	جناب سہیل الہی
4	محترمہ صبا اعظم

☆ شنیر ہولڈنگ کا پیٹرن منسلک ہے؛ اور

☆ نہ تو چیف ایگزیکٹو آفیسر اور نہ ہی کسی دوسرے ڈائریکٹر نے کمپنی کا شنیر خریدا ہے۔

اعتراف

بورڈ ریاست حکومت، مختلف سرکاری ایجنسیوں / محکموں، مالیاتی اداروں، صارفین، سپلائرز اور کمپنی کے سرمایہ کاروں کی طرف سے کمپنی پر کئے گئے اعتماد اور تعاون کے لئے تعریف اور اظہار تشکر کرنا چاہتا ہے۔ آپ کے ڈائریکٹرز کمپنی کے ملازمین کی جانب سے دی جانے والی سرشار اور مخلصانہ خدمات کی تعریف کرتے ہیں۔ ہم اپنے قبل قدر شنیر ہولڈرز کے شکر گزار ہیں کہ وہ انتظامیہ کو مسلسل تعاون فراہم کر رہے ہیں۔

بورڈ کی جانب سے:

نعیم انور

چیف ایگزیکٹو آفیسر

تاریخ: 6 اکتوبر 2026

محمد علی

ڈائریکٹر

GENDER PAY GAP STATEMENT under SECP Circular 10 of 2024

Bawany Air Products Limited (BAPL) is committed to cultivating a fair and equitable workplace. Our commitment to Diversity, Equity, and Inclusion (DE&I) is central to our talent acquisition and employee engagement strategies, strengthen our diverse talent pipeline, and reinforce our foundational commitment to building an inclusive organization where every employee can thrive.

The gender pay gap on an overall basis for the year ended June 30, 2026, is as under:

- Median Gender Pay Gap is -100%.
- Mean Gender Pay Gap is -100%

The remuneration philosophy at BAPL does not differentiate based on gender. Employee remuneration is determined based on several factors, including professional experience, tenure, education, job role, performance, market dynamics and geographical location.

Naim Anwar
Chief Executive Office

Karachi
October 06, 2026

VISION

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 object of the Company is to invest in and acquire and hold and otherwise deal in shares, stock, debenture, debenture stock, bonds, obligations and securities issued or guaranteed.

MISSION

Our mission is to be a dynamic, professional and growth oriented organization and to always strive for excellence by making quality investments with focused strategy.

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: 5
 - b. Female: 2
2. The composition of board of directors is as follows:

Category	Names
Independent Directors	Ms. Saba Azam Ms. Huma Javaid
Chief Executive Officer	Mr. Naim Anwar
Non – Executive Directors	Mr. Mohabat Khan Mr. Zahir Khan Mr. Muhammad Ali Mr. Suhail Elahi
Female Directors	Ms. Saba Azam Ms. Huma Javaid

The independent director meets the criteria of independence as laid down under the Code, Regulations and Companies Act, 2017.

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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. All the directors are professionals and senior executives who possess wide experience of the duties of directors, the Company apprises its directors of new laws and regulations and amendments in the existing ones. The Board plans to arrange directors' training program.
10. The Board has structured interim management appointments for the Chief Financial Officer, Company Secretary, and internal audit oversight in light of the company's ongoing restructuring phase.
11. CFO and CEO have duly endorsed the financial statements before approval of the board.
12. The board has formed the following committees comprising of the members given below:
 - a) Audit Committee

Ms. Saba Azam	Chairperson
Mr. Mohabat Khan	Member
Mr. Muhammad Ali	Member
 - b) HR, Remuneration, Nomination and Sustainability Committee

Ms. Huma Javaid	Chairman
Mr. Muhammad Ali	Member
Ms. Saba Azam	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per the following basis:
 - a) Audit Committee - Quarterly basis
 - b) HR, Remuneration, Nomination and Sustainability Committee – Annual basis
15. The board has not set up an effective internal audit function and its members are not 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 close relative (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. The board is aware of both current and emerging sustainability / ESG-related risk and opportunities, and it consistently monitors and oversees the organization's progress in achieving its set goals in these areas.
19. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 & 36 of Regulations have been complied with.
20. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 & 36 (non-mandatory requirements) are below:

S. No.	Requirement	Explanation	Reg. No.
1	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace.	The company has published key elements of its primary policies on its official website, and the expanded framework covering Diversity, Equity & Inclusion (DE&I) and workplace harassment is currently undergoing final review for uploading.	35(1)
2	There shall be an internal audit function in every company, which shall not be headed or combined with the CFO.	Due to active company-wide restructuring and cost-containment measures, an independent internal audit department has not been spun off yet, and internal audit duties are temporarily managed by the CFO. A fully segregated internal audit function will be re-established upon completion of restructuring.	31(1), 31, 31(6)
3	The same person shall not simultaneously hold the office of Chief Financial Officer and the Company Secretary of a listed company.	To streamline management overhead and cut administrative costs during the ongoing restructuring phase, both functions have temporarily been assigned to a single qualified individual. Formal separation of offices will occur as business operations normalize.	24
4	No person shall be appointed as CFO unless he/she holds the professional qualification prescribed under the regulations.	The company is undergoing operational restructuring, and the incumbent acting CFO possesses extensive hands-on industry experience. Formal compliance alignment or transition to meet full qualification parameters is under active review by the Board.	22
5	No person shall be appointed as Company Secretary unless he/she holds the requisite professional qualification.	Pending structural rationalization, executive management duties of the Company Secretary are being handled by the CFO. A dedicated, fully qualified corporate secretary will be appointed post-restructuring.	24
6	Complete record of particulars of significant policies required under the regulations shall be	The Board of Directors is actively compiling, standardizing, and formally documenting the complete particulars of	10(4)

	maintained by the company.	all requisite corporate policies.	
7	Directors must complete the Directors' Training Program (DTP) or obtain formal exemption from the Commission.	Aside from the CEO, Mr. Naim Anwar and Mrs. Huma Javaid, formal DTP certification or official SECP exemption has not yet been acquired by the remaining directors. Training schedules are being arranged to ensure complete compliance.	18(2)
8	The Chairman and the chief executive officer of a company, by whatever name called, shall not be the same person.	The Board considers this arrangement appropriate to the present size and nature of the Company's business and will keep the matter under periodic review	9(1)

MUHAMMAD ALI
Director

NAIM ANWAR
Chief Executive Officer

**Independent Auditor's Review Report to the members of Bawany Air Products Limited on the
Statement of Compliance contained in 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 2026 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 and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which 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 2026.

Furthermore, we draw attention to the fact that certain non-compliances with non-mandatory requirements of the Regulations, together with their respective explanations, have been appropriately disclosed and reflected in clause (20) of the Statement of Compliance.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: **Ahsan Elahi Vohra - FCA**

Karachi
Dated : October 07, 2026
UDIN : CR202610532xRD5cLOYo

KEY OPERATING AND FINANCIAL DATA FOR THE DECADE

PARTICULARS	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
FINANCIAL POSITION										
Shareholders' equity	(92,302,585)	(29,254,312)	24,794,475	47,417,768	(11,970,293)	(2,836,820)	(83,785,181)	2,777,483	16,165,826	27,638,123
Surplus on revaluation	-	-	-	-	-	-	99,007,533	35,118,869	35,884,752	36,702,131
Share application money	3,197,120,000	3,197,120,000	-	-	-	-	-	-	-	-
Non-current liabilities	72,778,369	11,596,988	-	-	45,166,660	45,166,660	50,063,663	51,219,943	61,007,378	62,721,588
Current liabilities	1,478,664	5,373,123	6,517,965	46,663,045	101,909,169	93,168,216	94,137,253	85,143,518	83,886,294	75,483,447
Total Equity and Liabilities	3,179,074,448	3,184,835,799	31,312,440	94,080,813	135,105,536	135,498,056	159,423,268	174,259,813	196,944,250	202,545,289
Property, plant and equipment	260,344	134,158	731,795	813,106	860,170	1,034,950	147,491,688	160,730,656	177,559,562	183,889,558
Long term deposits	-	-	-	-	2,342,084	2,342,084	3,001,494	3,001,494	3,161,358	3,221,357
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Current assets	3,178,814,104	3,184,701,641	30,580,645	93,267,707	8,803,014	9,020,754	8,930,087	10,527,663	16,223,330	15,434,374
Non current assets held for sale	-	-	-	-	123,100,268	123,100,268	-	-	-	-
Total Assets	3,179,074,448	3,184,835,799	31,312,440	94,080,813	135,105,536	135,498,056	159,423,269	174,259,813	196,944,250	202,545,289
FINANCIAL PERFORMANCE										
Net sales	-	-	-	-	-	-	12,795,636	51,909,593	89,088,321	82,702,366
Dividend income	731	1,474	-	-	-	-	-	-	-	-
Unrealised gain on investments - net	51,698	51,034	-	-	-	-	-	-	-	-
Loss on sale of investments - net	(5,292,874)	-	-	-	-	-	-	-	-	-
Brokerage and commission expense	(38,681,694)	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	(16,145,085)	(51,526,899)	(84,695,888)	(80,462,022)
Gross (loss) / profit	(43,922,139)	52,508	-	-	-	-	(3,349,449)	382,694	4,392,433	2,240,344
Expenses - net of other income	(9,786,779)	(52,941,080)	(22,447,619)	59,399,330	(9,024,259)	(16,797,991)	(81,244,907)	(19,404,544)	(18,804,804)	(19,503,604)
Profit / (loss) before Interest and tax	(53,708,918)	(52,888,572)	(22,447,619)	59,399,330	(9,024,259)	(16,797,991)	(84,594,356)	(19,021,850)	(14,412,371)	(17,263,260)
(Finance cost) / Income - net	(9,339,246)	(1,159,993)	(7,553)	(10,988)	(30,128)	-1261181	(636,232)	(796,091)	(934,697)	(1,872,155)
Profit / (loss) before tax	(63,048,164)	(54,048,565)	(22,455,172)	59,388,342	(9,054,387)	(18,059,172)	(85,230,588)	(19,817,941)	(15,347,068)	(19,135,415)
Tax / Levis	(109)	(221)	(168,122)	(281)	(86)	-	(1,956,524)	5,350,890	2,707,087	3,106,789
Profit / (loss) after tax	(63,048,273)	(54,048,786)	(22,623,294)	59,388,061	(9,054,473)	(18,059,172)	(87,187,112)	(14,467,051)	(12,639,981)	(16,028,626)
STATISTICS AND RATIO										
Gross profit %	0%	0%	0%	0%	0%	0%	(26%)	1%	5%	3%
(Loss) / profit before tax to total sales %	0%	0%	0%	0%	0%	0%	(666%)	(38%)	(17%)	(23%)
(Loss) / profit after tax to total sales %	0%	0%	0%	0%	0%	0%	(681%)	(28%)	(14%)	(19%)
Current ratio	214979%	59271%	469%	200%	9%	10%	9%	12%	19%	20%
Asset turnover ratio	0%	0%	0%	0%	0%	0%	9%	32%	50%	45%
Current Assets Turnover - times	-	-	-	-	-	-	1.32	3.88	5.63	4.97
Long term debt to equity ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Return on equity before tax %	68%	185%	(91%)	125%	76%	637%	102%	(714%)	(95%)	(69%)
Return on equity after tax %	68%	185%	(91%)	125%	76%	637%	104%	(521%)	(78%)	(58%)
Interest Cover	(5.75)	(45.59)	(2,972.01)	5,405.84	(299.53)	(13.32)	(132.96)	(23.89)	(15.42)	(9.22)
Earning per share (Rs.)	(7.62)	(7.20)	(3.02)	7.92	(1.21)	(2.25)	(2.25)	(1.93)	(2.19)	(2.14)
Price earning ratio	(4)	(6)	(12)	1	(8)	(6)	(10)	(3)	(3)	(4)
Market price per share at year end	33.74	41.15	34.90	9.58	9.45	13.69	23.16	5.56	6.55	8.00
Cash dividend	-	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-	-

BAWANY AIR PRODUCTS LIMITED
PATTERN OF CERTIFICATE HOLDING - FORM "34"
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2026

Number of Certificate Holders	Certificate Holding			Certificate Held
	From		To	
475	1	-	100	12,116.00
250	101	-	500	78,601.00
149	501	-	1000	125,046.00
223	1001	-	5000	604,081.00
48	5001	-	10000	349,009.00
16	10001	-	15000	196,508.00
11	15001	-	20000	200,437.00
9	20001	-	25000	213,911.00
7	25001	-	30000	195,904.00
2	30001	-	35000	65,300.00
1	35001	-	40000	40,000.00
2	40001	-	45000	83,300.00
6	45001	-	50000	295,820.00
1	55001	-	60000	60,000.00
1	60001	-	65000	64,780.00
1	65001	-	70000	67,101.00
1	75001	-	80000	79,100.00
1	85001	-	90000	89,534.00
3	95001	-	100000	291,831.00
1	105001	-	110000	105,295.00
1	125001	-	130000	128,337.00
1	135001	-	140000	139,531.00
1	195001	-	200000	200,000.00
1	220001	-	225000	222,149.00
1	230001	-	235000	231,500.00
1	250001	-	255000	251,500.00
1	525001	-	530000	529,819.00
1	2580001	-	2585000	2,582,000.00
1216				7,502,510.00

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
Individuals	1,188	5,706,279	76.06
Associated Company	4	667,227	8.89
Joint Stock Companies	18	818,574	10.91
Financial Institutions	1	42	0.00
Insurance Companies	1	251,500	3.35
NIT and ICP	1	100	0.00
Others	3	58,788	0.78
	1,216	7,502,510	100.00

BAWANY AIR PRODUCTS LIMITED

Categories Shareholders as on June 30, 2026

S. No.	Categories Shareholders	Shareholders	Shares Held	Total
1	Directors, Chief Executive office and their spouse(s) and minor children	7		3,500
	MR. SUHAIL ELAHI		500	
	MS. SABA AZAM		500	
	MR. MUHAMMED ALI		500	
	MR. NAIM ANWAR		500	
	MR. ZAHIR KHAN		500	
	MR. MOHABAT KHAN		500	
	MS. HUMA JAVED		500	
2	Associated Companies, Undertakings and related parties	4		667,227
	WEAVERS PAKISTAN (PRIVATE) LIMITED		667,227	
3	Executive	NIL		
4	Modarabas and Mutual Funds	NIL		
5	NIT and ICP	1		100
	INVESTMENT CORP. OF PAKISTAN		100	
6	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful and Pension Funds	20		1,070,116
7	Others	3		58,788
8	General Public	1,181		5,702,779
	Total	1,216		7,502,510

Shareholders Holding 10% or More In The Company

	Number of Shares	%
HASSAN NASEEM	2,582,000	34.42

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BAWANY AIR PRODUCTS LIMITED**

Report on the Audit of the Financial Statements

Qualified 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, 2026, the statement of profit or loss, the statement of 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 material accounting policy information 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis for Qualified opinion section of our report, the statement of financial position, statement of profit or loss, the statement of 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, 2026 and of the loss and other comprehensive loss, the changes in equity, and its cash flows for the year then ended.

Basis for Qualified Opinion

Advance to Related Party

As disclosed in Note 8 to the financial statements, the Company has provided advance of Rs. 3,174,110,000 to Al-man Seyyam Sugar Mills (Private) Limited (ASSML) for working capital and project completion of ASSML. This advance was funded by share application money received in advance from Weavers Pakistan (Private) Limited (WPPL), major shareholder of the Company, for the purpose as given in right offer document. However, we were unable to obtain sufficient appropriate audit evidence to verify the nature, terms, conditions, and recoverability of this advance, as there is no formal agreement between the Company and ASSML outlining the repayment terms and other conditions for this advance.

Short Term Investments

As described in Note 21 to the financial statements, during the year the Company undertook significant purchases and sales of listed securities, including securities of related parties, through its broker accounts. We noted that, in a number of instances, such transactions were initiated against Company cheques deposited with the broker, although the corresponding funds were not arranged by the Company and the transactions related to those cheques were not recorded in the books of account at the relevant time. In particular, the Company incurred a substantial loss of Rs. 9,357,092 from trading in the securities of Dost Steel Mills Limited (DSML), a related party.

In the absence of a formally approved investment policy of the Board setting out, inter alia, investment limits, authorization procedures, approval requirements and arrangements for funding of investments, and given that all the investment transactions were initiated and executed by the Chief Executive Officer, we were unable to obtain sufficient appropriate audit evidence regarding the business rationale, authorization, completeness and accounting treatment of these investment transactions besides the related balances with brokers, brokerage commission and the gains or losses arising from the disposal of such investments, particularly those relating to securities of the related parties.

Accordingly, we were unable to determine whether any adjustments were necessary in respect of investments, amounts payable to brokers, brokerage commission, gains or losses on disposal of investments, related party balances and transactions, and the related disclosures in the financial statements.

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 qualified opinion.

Material Uncertainty Related to Going Concern

As disclosed in Note 1.3 to the financial statements, the Company incurred a loss of Rs. 63,048,273 during the year ended June 30, 2026 (2025: Rs. 54,048,786), resulting in accumulated losses of Rs. 167,327,685 (2025: Rs. 104,279,412) as at the reporting date. The Company has also not generated any operational revenue in recent years and continues to experience negative operating cash flows and heavily dependent on its related party to meet its routine expenses. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, management is actively pursuing revival plans and is committed to restore operational viability under revised business arrangements. Our opinion is not modified in respect of this matter.

Emphasis of matter(s)

We draw attention to Note 34 to the financial statements, which describes the subsequent issuance of 600,000,000 ordinary shares other than by way of right for the acquisition of shares in Alman Seyyam Sugar Mills (Private) Limited, resulting in dilution of shareholding of the existing shareholders. Our opinion is not modified in respect of this matter.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, 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. Except for the matters described in Basis for Qualified Opinion and Material Uncertainty Related to Going Concern, there are no Key Audit Matters to be communicated in our report.

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

Management is responsible for the other information. The other information comprises the information included in 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 we do 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 misstatement 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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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 on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing 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 the key audit matters. We describe these matters in our auditor's 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 in our opinion:

- 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, the statement of 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, expenditure incurred and guarantees extended during the year were for the purpose of 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 **Ahsan Elahi Vohra - FCA**

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Karachi

Date: October 07, 2026

UDIN: AR2026105322SAeqJGvz

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	<i>Note</i>	2026	2025
		----- Rupees -----	
ASSETS			
Non-current assets			
Property and equipment	6	260,344	134,158
Deferred tax	14	-	-
		260,344	134,158
Current assets			
Trade and other receivables	7	946,323	2,184,400
Advance to related party	8	3,174,110,000	3,174,110,000
Short term investments	9	811,785	95,223
Taxation	10	2,529,528	6,110,103
Cash and bank balances	11	416,468	2,201,915
		3,178,814,104	3,184,701,641
TOTAL ASSETS		3,179,074,448	3,184,835,799
EQUITY AND LIABILITIES			
Share Capital	12	75,025,100	75,025,100
Accumulated loss		(167,327,685)	(104,279,412)
		(92,302,585)	(29,254,312)
Share application money	13	3,197,120,000	3,197,120,000
Non-current liabilities			
Loan from Related Party	15	72,778,369	11,596,988
		72,778,369	11,596,988
Current liabilities			
Accrued and other liabilities	16	761,244	600,744
Unclaimed dividend	17	717,420	717,420
Tanks and cylinder deposit	18	-	4,054,959
		1,478,664	5,373,123
TOTAL EQUITY AND LIABILITIES		3,179,074,448	3,184,835,799
CONTINGENCIES AND COMMITMENTS	19	-	-

The annexed notes from 1 to 37 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	<i>Note</i>	2026 ----- Rupees -----	2025
Dividend Income	20	731	1,474
Unrealised gain on investments	9	51,698	51,034
Loss on sale and purchase of investments - net	21	(5,292,874)	-
Brokerage and commission expense		(38,681,694)	-
Total (loss) / income		(43,922,139)	52,508
Administrative expenses	22	(13,691,738)	(52,941,080)
Finance costs	23	(9,339,246)	(1,159,993)
Total expenses		(19,126,025)	(54,101,073)
Other operating income	24	3,904,959	-
Loss before levy and taxation		(63,048,164)	(54,048,565)
Levy	25	(109)	(221)
Loss before taxation		(63,048,273)	(54,048,786)
Taxation	26	-	-
Loss for the year		(63,048,273)	(54,048,786)
Loss per share - basic and diluted	27	(8.40)	(7.20)

The annexed notes from 1 to 37 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	-----Rupees-----	
Loss for the year	(63,048,273)	(54,048,786)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(63,048,273)</u>	<u>(54,048,786)</u>

The annexed notes from 1 to 37 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid-up capital	Accumulated loss	Total Equity
	----- Rupees -----		
Balance as at June 30, 2024	75,025,100	(50,230,626)	24,794,474
Total loss for the year	-	(54,048,786)	(54,048,786)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(54,048,786)	(54,048,786)
Balance as at June 30, 2025	75,025,100	(104,279,412)	(29,254,312)
Total loss for the year	-	(63,048,273)	(63,048,273)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(63,048,273)	(63,048,273)
Balance as at June 30, 2026	75,025,100	(167,327,685)	(92,302,585)

The annexed notes from 1 to 37 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	<i>Note</i>	2026	2025
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(63,048,164)	(54,048,565)
Adjustments for non-cash and other items			
Depreciation	22	29,314	12,842
Other receivable written off	7.2	2,184,400	-
Income tax refundable written off	10.1	3,580,575	-
Short-term deposits written off		-	22,500
Sales tax refundable written off		-	824,547
Tanks and Cylinder deposits		(150,000)	(228,031)
Fixed assets written off		-	731,795
Other Operating income	24	(3,904,959)	-
Unrealized gain on revaluation of listed securities	9	51,698	(51,034)
Finance costs	23	9,339,246	1,159,993
Operating loss before working capital changes		(51,917,890)	(51,575,953)
Increase in current assets			
Trade receivables	7	(946,323)	(3,174,110,000)
Increase/ (decrease) in current liabilities			
Accrued and other liabilities		160,500	(783,503)
		160,500	(783,503)
Net cash (used in) operations		(52,703,713)	(3,226,469,456)
Finance cost paid		(9,339,246)	(1,159,993)
Levy paid	26	(109)	(221)
Net cash (used in) operating activities		(62,043,068)	(3,227,629,670)
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in short term investments		(768,260)	-
Additions to fixed assets	6	(155,500)	(147,000)
Net cash (used in) investing activities		(923,760)	(147,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share application money	13	-	3,197,120,000
Loan received from Related Party		61,181,381	11,596,988
Loan repaid to director		-	(133,309)
Net cash generated from financing activities		61,181,381	3,208,583,679
Net (decrease) in cash and cash equivalents		(1,785,447)	(19,192,991)
Cash and cash equivalents at beginning of the year		2,201,915	21,394,906
Cash and cash equivalent at the end of the year		416,468	2,201,915

The annexed notes from 1 to 37 form an integral part of these financial statements.

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director

BAWANY AIR PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 repealed Companies Act 1913, now the Companies Act, 2017. The Company is listed on Pakistan Stock Exchange Limited. During the year ended June 30, 2025, the Company has changed its principle line of business from production and trading of oxygen gas, dissolved acetylene and nitrogen gas to the following:

a) To carry on, to invest in and acquire and hold and otherwise deal in shares, stock, debenture, debenture stock, bonds, obligations and securities issued or guaranteed by any company, corporation, financial institution, government or any authority.

b) To purchase or otherwise acquire the whole or part of the business, the assets, property assets and liabilities of any company, organization, partnership or person and to take up, carry on and exercise or to liquidate or break up any such business and in consideration of any such acquisition to pay cash or issue shares or acquire it by giving any other form of consideration or in any other way and to take up any liabilities or acquire any interests in the business of the seller or of any other business.

Registered office of the company is located:

Khasra # 52-53 RCD Highway Mouza Pathra, Tehsil Hub, District, Lasbela.

Geographical location and address of business;

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

1.2 Acquisition of Alman Seyyam Sugar Mills (Private) Limited by Bawany Air Products Limited and Takeover of Bawany Air Products Limited by the Sponsors of Alman Seyyam Sugar Mills (Private) Limited

- 1.2.1** On August 01, 2024, a Share Purchase Agreement signed between the Company and the sponsors of the Al-Man Seyyam Sugar Mills (Private) Limited (ASSML) under which the Company agreed to acquire the entire shareholding of ASSML of 51,114,011 shares from its sponsors for a total consideration of Rs. 12 billion. Consideration will be settled in two parts, (a) Rs. 6 billion will be paid in the form of issue of shares by way of "other than right shares", (b) Rs. 6 billion will be paid in the form of cash in next two years. If shares cannot be issued, the entire amount will be paid in cash. Upon receiving first part of the consideration, the entire shareholding will be transferred to the Company.
- 1.2.2** On August 26, 2024, Board of Directors of the Company resolved to issue 599,999,732 right shares of face value Rs. 10/- each in proportion of 7,997.32 shares for each 100 ordinary shares to meet the working capital requirements and project completion of ASSML.
- 1.2.3** On September 06, 2024, a subscription agreement executed between the Company and Weavers Pakistan (Private) Limited i.e., WPPL. (existing major shareholder of the Company) pursuant to which in line with the Right Offer document, share deposit money of Rs. 3,197 million has been paid to the Company as at June 30, 2025. Subsequently, out of this amount, Rs. 3,174 million has been transferred to ASSML for meeting its working capital requirements and project completion.
- 1.2.4** On December 23, 2024, the Company resolved in the EOGM to increase its authorized capital from Rs 11,000,000,000 to Rs 12,100,000,000.
- 1.2.5** On May 26, 2025, the Company issued a final Right offer document for the right issue as approved by the Board. However, on June 02, 2025, SECP issued directions to Company not to proceed with the Right issue announced through Final Offer document dated May 26, 2025 citing regulatory non-compliances and scheduled a hearing to address the concerns as highlighted in the Directions.

After conducting a hearing, SECP on June 26, 2025 modified the earlier directions and directed the Company to proceed with the transactions of share purchase agreement and Right Offer as under:

- a) The Company shall initiate the process of mandatory public offer by making public announcement of intention (PAI) to acquire voting shares of the Company in compliance with Section 114 of Securities Act, 2015 and regulations thereunder.

- b) Subsequent to making PAI by acquirers, the Company shall seek prior approval from SECP under section 83 (1)(b) of the Companies Act, 2017 for the proposed issuance of Rs. 600,000,000 ordinary shares otherwise than by way of right to the acquirer.
- c) Following the grant of approval by the commission, the acquirer shall within 60 days of the said approval, proceed to make public announcement of offer in accordance with the section 111 (a) of the Act and the applicable provisions of the takeover regulations.
- d) Upon successful completion of public offer process and submission of certification for confirming that the acquirer has fulfilled all obligations as required under section 119 (3) of the Act., ordinary shares of Rs. 600,000,000 subsequently issued by way of "other than right" would be allocated to the acquirers of the company
- e) Subsequently, the Company may proceed with the issuance of 599,999,732 ordinary shares by way of right in accordance with the original right offer document dated May 26, 2025 and enabling provisions of the Companies (Further Issue of Shares) Regulation, 2020.

1.2.6 Process of Takeover of Bawany Air Products by Sponsors of Alman Seyyam Sugar Mills (Private) Limited is as follows:

- a) On July 8, 2025, Sponsors of ASSML (the acquirer) made Public Announcement of Intention to acquire 600,000,000 ordinary shares representing 98.76% through agreement and remaining 1.24% through Public Offer at Rs. 47.85 per share of total issued and paid up capital of BAPL
- b) On August 04, 2025, the BAPL received a corrigendum to the aforesaid PAI, which was disseminated through the Pakistan Stock Exchange (PSX), intending to acquire remaining 0.62% through Public Offer at Rs. 47.85 per share.
- c) On August 05, 2025, the Securities and Exchange Commission of Pakistan (SECP) granted its approval in connection with the proposed acquisition of shares and control of BAPL by Sponsors of ASSML (the acquirer)
- d) On December 11, 2025, BAPL informed the Pakistan Stock Exchange (PSX) that it had received a corrigendum in respect of the previously issued public announcement of intention by the Sponsors of ASSML (the acquirer) intending to acquire remaining 0.35% through Public Offer at Rs. 47.85 per share . The corrigendum incorporates certain amendments to the original PAI, while all other terms and conditions of the Public Announcement of Intention dated August 4, 2025 remain unchanged
- e) On December 19, 2025, BAPL received a Public Announcement of Offer from the sponsors of ASSML (the acquirers) to acquire 0.35% of the issued ordinary shares of BAPL
- f) On January 13, 2026, as per advise of Securities and Exchange Commission of Pakistan (SECP), Sponsors of ASSML (the acquirers) had revised the offer price from Rs. 47.85 to Rs. 51 per share to acquire remaining 0.35% through Public Offer
- g) A further corrigendum to the Public Announcement of Offer dated December 19, 2025 was filed with the Pakistan Stock Exchange on January 23, 2026, revising the offer price from Rs. 47.85 per share to Rs. 51 per share for acquisition of up to 0.35% of remaining shareholding of the Company through Public Offer
- h) On February 13, 2026, BAPL has announced it's book closure from March 01, 2026 to March 07, 2026 as required under Listed Companies (Substantial Acquisition of Voting shares and Takeover) Regulations 2017 to determine the eligibility of persons to receive offer letters in connection with Public Announcement of Offer from sponsors of ASSML (the acquirers) to acquire 0.35% of the issued ordinary shares of BAPL as mentioned in PAO dated December 19, 2025

1.3 Going Concern assumption

The Company incurred a loss of Rs. 63,048,273 during the year ended June 30, 2026 (2025: Rs. 54,048,786), resulting in accumulated losses of Rs.167,327,685 (2025: 104,279,412) as at the reporting date.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, management is actively pursuing revival plans and is committed to restore operational viability under revised business arrangements. The financial statements have been prepared on the going concern basis considering the following mitigating factors:

- a) Change in the principal line of business from trading of oxygen gas, dissolved acetylene and nitrogen gas to investment in stocks, shares, debentures, and other marketable securities.
- b) Increased the authorized share capital from Rs. 150 million to Rs. 11 billion.
- c) Company has been removed from PSX's Non-compliant counter and currently is placed on PSX's normal counter from July 31, 2025
- d) The Company has also made the right issue of Rs. 6 billion against which an advance has been received from WPPL of Rs. 3.197 billion. The right shares will be issued after the issue of shares to the sponsors of ASSML by way of "other than right
- e) The Company has entered into the Share Purchase Agreement with sponsors of ASSML for acquiring their entire shareholding of ASSML for the total consideration of Rs. 12 billion which will be settled in two parts, (a) Rs. 6 billion will be paid in the form of issue of shares by way "Other than right shares", (b) Rs. 6 billion will be paid in the form of cash in next two years. However the shares shares by way of "Other than right shares" has been issued subsequent to the year end as mentioned in Note 34.
- f) The Company expect that after the ASSML project becomes operational, being the holding Company, will be able to earn reasonable return on its investment.

Based on these actions and management's commitment to restoring operational viability, the financial statements have been prepared on a going concern basis. Accordingly, no adjustments have been made relating to the recoverability and reclassification of recorded assets, or to the amounts and reclassification of liabilities, that may be required should the Company be unable to continue as a going concern.

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 Basis of measurement

These financial statements are prepared under historical cost convention 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 KEY ACCOUNTING 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.

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) depreciation method, useful lives and residual value of property, plant and equipment;
- (ii) provision for impairment of trade debts and other receivable;
- (iii) allowance for expected credit losses;
- (iv) impairment of assets;
- (v) provision for taxation; and
- (vi) contingencies.
- (vii) fair valuation
- (viii) deferred tax

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.

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

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

The following standards, amendments and interpretations of approved accounting standards are only effective for the accounting periods beginning on or after the date mentioned against each of them :

	Effective date (Annual periods beginning on or after)
IFRS 18 Primary Financial Statements	1-Jan-27
IAS 21 The effects of changes in foreign exchange rates (Amendments)	1-Jan-27
IAS 28 Investments in Associates and Joint Ventures (Amendments)	1-Jan-27
IFRS 17 Insurance Contracts (Amendments)	1-Jan-27
IFRS 19 Subsidiaries without Public Accountability Disclosures	1-Jan-27

4.2 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.

4.3 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026

IFRS 1 First Time Adoption of International financial reporting standards
 IFRS 20 Regulatory Assets and Regulatory Liabilities
 IFRIC 12 Service Concession Arrangement

5 MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 Property and equipment

a) Operating fixed assets - owned

These are stated at cost less accumulated depreciation and impairment loss. 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 statement of 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 statement of other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in statement of profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in statement of profit or loss. However, the decrease shall be recognized in statement of other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in statement of 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 statement of 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 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 accounts

5.4 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 balance sheet 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.

5.5 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income, or any amount paid /payable in excess of the calculation based on taxable income or any minimum tax is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 12 / IAS 37

5.6 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.

5.7 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.

5.8 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.

5.9 Financial instruments

(a) Classification and initial measurement

The Company classifies its financial assets in to following three categories;

- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

Financial assets at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

It is held within business model whose objective is to hold assets to collect contractual cash flows; and

Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

For assets measured at fair value, gain or loss will either be recorded in the unconsolidated statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(b) Subsequent measurement

Financial assets at FVOCI

These assets are measured at fair value, with gain or loss arising from changes in fair value recognized in the Financial statement of other comprehensive income.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain or loss, including any interest/ mark-up or dividend income, are recognized in the Financial statement of profit or loss.

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/ mark-up income, foreign exchange gain or loss and impairment are recognized in the Financial statement of profit or loss.

(c) Financial liabilities

Financial liabilities are classified as "measured at amortized cost" or "measured at fair value through profit or loss". A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain or loss, including any interest expense, are recognized in the Financial statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been subsequently modified.

5.10 Impairment

(a) Financial assets

The Company recognizes loss allowances for expected credit loss (ECL) in respect of financial assets measured at amortized cost.

The Company applies the simplified approach to recognize lifetime expected credit loss for trade debts. The Company assesses on a forward looking basis the expected credit loss associated with its financial assets.

The Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit loss. To make the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Allowances for ECL financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of the Company.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss are charged in the Financial statement of profit or loss.

5.11 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle liabilities simultaneously. Incomes and expenses arising from such assets and liabilities are also offset accordingly.

BAWANY AIR PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

6 PROPERTY AND EQUIPMENT

Particulars	Cost			Accumulated Depreciation				Net Book Value as at end of year	Rate %
	As at beginning of year	Addition / (Disposal) / (Adjustment) during the year	As at end of year	As at beginning of year	Depreciation on disposals / Adjustments	Charge for the year	As at end of year		
----- Rupees -----									
<u>FOR THE YEAR 2026</u>									
Furniture and fixture	19,000	20,000	39,000	1,742	-	3,600	5,342	33,658	10
Office equipment	128,000	135,500	263,500	11,100	-	25,714	36,814	226,686	10
	147,000	155,500	302,500	12,842	-	29,314	42,156	260,344	
<u>FOR THE YEAR 2025</u>									
Furniture and fixture	2,343,158	19,000 (2,343,158)	19,000	1,928,971	(1,928,971)	1,742	1,742	17,258	10
Office equipment	2,377,246	128,000 (2,377,246)	128,000	2,059,638	(2,059,638)	11,100	11,100	116,900	10
	4,720,404	(4,573,404)	147,000	3,988,609	(3,988,609)	12,842	12,842	134,158	

	Note	2026	2025
		----- Rupees -----	
7 TRADE AND OTHER RECEIVABLES			
Trade receivables	7.1	946,323	-
Other receivable	7.2	-	2,184,400
		<u>946,323</u>	<u>2,184,400</u>

7.1 These represents receivables from Securities brokers against trading of listed securities

7.2 This represents short term security deposit refundable from K Electric written off during the year

8 ADVANCE TO RELATED PARTY	8.1	<u>3,174,110,000</u>	<u>3,174,110,000</u>
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8.1 This represents advance given to Alman Seyyam Sugar Mills (Private) Limited (ASSML) as advance for working capital requirement and Capital expenditure required for procurement of plant and machinery for project completion of ASSML, as depicted by the purpose defined in the Right Offer document dated May 26, 2025.

9 SHORT TERM INVESTMENTS

9.1 Movement Equity investments at fair value through profit or loss

9.1.1	Cost of investment	June 30, 2026	June 30, 2025	Name of investee company	June 30, 2026		June 30, 2025		Unrealized gain/(loss)
	Rupees	No. of shares			Fair Market Value				
					Per share	Rupees	Per share	Rupees	
	769	268	268	Faysal Bank Ltd.	99.2	26,596	69.7	18,685	7,911
	1,636	657	657	Sui Southern Gas Pipelines Ltd.	32.1	21,077	42.8	28,113	(7,036)
	17,777	1,398	1,398	First Fidelity Leasing Modaraba Ltd.	22.1	30,840	3.9	5,480	25,360
	15,153	1,311	1,311	First Equity Modaraba Ltd.	11.0	14,447	4.9	6,371	8,076
	756	419	419	K-Electric Ltd.	8.5	3,578	5.3	2,200	1,378
	-	156	156	Pakistan Oxygen Ltd.	304.2	47,451	200.9	31,334	16,117
	2,795	290	290	SAMBA Bank Ltd.	9.6	2,793	9.6	2,770	23
	299	15	15	Ghani global holdings Ltd.	23.4	351	18.0	270	81
	281,145	2,000	-	Fatima Fertilizer Company Ltd.	165.3	330,600	-	-	49,455
	200,946	10,000	-	Ghani Dairies Ltd.	20.0	199,500	-	-	(1,446)
	182,773	25,292	-	Dost Steels Limited	5.3	134,552	-	-	(48,221)
	704,049	46,320	4,514			811,785		95,223	51,698

9.1.2	Name of Investee Company	Shares sold			Shares acquired			Realized gain/ (loss)	Closing Balance (Quantity)
		Quantity	Rate	Rupees	Quantity	Rate	Rupees		
	Dost Steels Limited	176,179,868	7.55	1,330,902,375	176,179,868	7.61	1,340,259,467	(9,357,093)	-
	Crecent Star Insurance Limited	18,085,873	5.69	102,923,587	18,085,873	5.29	95,686,040	7,237,548	-
	Tri Star Power Limited	9,488,475	12.95	122,866,903	9,488,475	13.03	123,596,581	(729,678)	-
	SG Power Limited	370,000	11.85	4,384,500	370,000	11.71	4,332,700	51,800	-
	First National Equity Limited	7,200,000	1.79	12,878,000	7,200,000	2.13	15,342,000	(2,464,000)	-
	TRG Pakistan Limited	140,000	50.17	7,023,149	140,000	50.39	7,054,600	(31,451)	-
		<u>211,464,216</u>		<u>1,580,978,513</u>	<u>211,464,216</u>		<u>1,586,271,388</u>	<u>(5,292,874)</u>	<u>-</u>

On January 19, 2026, First National Equity Modaraba Limited announced a sub-division of Company's ordinary shares from Rs. 10 per share to Re. 1 per share, due which balance 400,000 balance shares as at January 19, 2026 was increased to 4,000,000 shares

10 TAXATION

Income tax refundable		6,110,103	6,110,103
Advance Income tax deducted during the year		109	221
Less: Provision for taxation		-	-
Less: Levy paid		(109)	(221)
Less: Income tax refundable written off	10.1	<u>(3,580,575)</u>	<u>-</u>
		<u>2,529,528</u>	<u>6,110,103</u>

10.1 The Income Tax Refundable balance of Rs. 3,580,575 is being written off as irrecoverable, since the three-year statutory limit for filing a refund claim under Section 170(2) of the Income Tax Ordinance, 2001 has been lapsed

11 CASH AND BANK BALANCES

Cash at bank - current accounts	398,494	2,188,449
Cash in hand	17,974	13,466
	<u>416,468</u>	<u>2,201,915</u>

	Note	2026	2025
		----- Rupees -----	
12 SHARE CAPITAL			
12.1 Authorized share capital			
1,100,000,000 (2025: 1,100,000,000) ordinary shares of Rs.10/- each		<u>11,000,000,000</u>	<u>11,000,000,000</u>
12.2 Issued, subscribed and paid-up capital			
2026	2025		
No. of shares			
	Ordinary shares of Rs.10/- each :		
5,336,769	5,336,769		
250,000	250,000		
1,915,741	1,915,741		
7,502,510	7,502,510		
	- Fully paid in cash	53,367,690	53,367,690
	- For consideration other than cash	2,500,000	2,500,000
	- Bonus shares issued	19,157,410	19,157,410
		<u>75,025,100</u>	<u>75,025,100</u>

The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

13 SHARE APPLICATION MONEY			
Advance against issue of shares		<u>3,197,120,000</u>	<u>3,197,120,000</u>

- 13.1** On August 26, 2024, the Board of Directors of Bawany Air Products Limited (the Company) approved the issuance of 599,999,732 new ordinary shares by way of a rights issue to existing shareholders. The shares are being offered at a price of Rs. 10 per share, which is at par value, for a total issue size of Rs. 5,999,997,320. The rights issue is being made at a ratio of 7997.32 new shares for every 100 shares currently held. The rights issue is being underwritten by Dawood Equities Limited.

The primary purpose of the funds raised from this issue is to meet working capital requirements and to finance the completion of a project of Alman Seyyam Sugar Mills (Private) Limited (ASSML). The proceeds will be used for capital expenditure for the procurement of plant and machinery, as well as for the working capital needs of ASSML as indicated in the Rights Offer Document.

Under a separate agreement dated September 10, 2024, between the Company and Weavers Pakistan (Pvt.) Ltd. (WPPL), wherein WPPL has agreed to advance up to Rs. 3,400,000,000 to the Company for the subscription of the right shares. As a substantial shareholder and sponsor holding 29% shares of the Company, WPPL will be issued right shares equivalent to their entitlement under right issue and in addition, they will also subscribe the remaining unsubscribed shares if offered to them.

While getting the approval for the Right Offer document, the SECP noted that the right shares have been offered to the shareholders before issuing shares for a total value of Rs. 600 million to the sponsors of ASSML under a separate share purchase agreement. SECP after recording a number of regulatory deficiencies, issued directions to the Company not to proceed with the right issue as approved by the Board on August 26, 2024 and directed to issue first shares by way of "other than right issue" to the sponsors of ASSML. Although after the issue of shares for "other than right issue", the ratio of shareholding of present shareholders will be materially changed and on the fresh date of book closure the new shareholders will also become entitled for the right shares which will be offered subsequently as directed by SECP. but the Management has reached an understanding with the new shareholders of the Company that they will decline the right offered and WPPL would be allowed to subscribe the right shares as per original plan.

In any other case, if the new shareholders also take up and subscribe the shares against the right issue, the shareholding percentage of WPPL would stand substantially reduced to a marginal percentage of 0.359% and in that case the share application money received amounting to Rs. 3.197 billion from WPPL shall become immediately refundable to them.

14 DEFERRED TAX			
Deferred tax on Taxable temporary differences:			
Accelerated depreciation on property and equipment		20,894	8,238
Effect of revaluation of Listed securities		14,992	14,800
		35,886	23,038
Deferred tax on Deductible temporary differences:			
Effect on carried forward tax losses		(26,039,123)	(11,980,159)
Net deferred tax (asset)		(26,003,237)	(11,957,121)
Deferred tax asset not recognized		26,003,237	11,957,121
		<u>-</u>	<u>-</u>

- 14.1** The Company has not recognized its deferred tax asset amounting to Rs. 26.003 million (2025: Rs. 11.957) million as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

	Note	2026 ----- Rupees -----	2025
15 LOAN FROM RELATED PARTY			
Balance at the beginning of the year		11,596,988	-
Loan received		92,510,000	16,558,000
Interest charged		9,322,341	1,156,255
Loan repaid		(40,650,960)	(6,117,267)
		<u>72,778,369</u>	<u>11,596,988</u>
15.1	The company has obtained loan from its associate Weavers Pakistan (Pvt.) Limited - a Related Party as disclosed in Note 29.2 of the Financial Statements in order to meet its routine expenses, the loan carries a mark-up of KIBOR+3% on daily product basis and the loan will be repaid by company to Weavers Pakistan (Pvt.) Limited on a mutually agreed date.		
16 ACCRUED AND OTHER LIABILITIES			
EOBI payable		1,200	739
Withholding tax		725	-
Brokers payable		9,319	-
Audit fee payable		750,000	600,000
		<u>761,244</u>	<u>600,739</u>
17	Represents unclaimed dividend amounting to Rs. 717,420 (2025: Rs. 717,420) outstanding for more than 3 years from the date of declaration.		
18 TANKS AND CYLINDER DEPOSIT		<u>-</u>	<u>4,054,959</u>
18.1	Since the business line has been totally closed and the tanks and cylinders are no more returnable, the amount has been written back as other income		
19 CONTINGENCIES AND COMMITMENTS			
	There is no contingency and commitment as at June 30, 2026 (2025: Nil)		
20 DIVIDEND INCOME		<u>731</u>	<u>1,474</u>
21 LOSS ON SALE AND PURCHASE OF INVESTMENTS - NET			
Realized Loss on Investments	21.1	(12,582,222)	-
Realized Gain on Investments	21.2	7,289,348	-
		<u>(5,292,874)</u>	<u>-</u>
21.1	This includes realized loss of Rs. 9,357,092 on sale and purchase of equity securities of related parties as discloses in Note 9.1.2		
21.2	This represents realized gain on sale and purchase of equity securities of related parties as disclosed in Note 9.1.2		
22 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		2,952,693	2,134,495
Other receivable write off	7.2	2,184,400	-
Income tax refundable write off	10	3,580,575	-
Sales tax refundable write off		-	824,547
Electricity, gas and water		62,640	28,280
Repairs and maintenance		27,450	8,260
Communication		259,790	162,258
Vehicle running and maintenance		146,200	90,314
Fees, subscription and periodicals		1,342,377	44,901,032
Rent, rates and taxes		550,000	436,132
Auditors' remuneration	22.1	850,000	764,400
Traveling and conveyance		662,345	400,785
Printing and stationery		50,840	82,490
Legal and professional charges		-	1,287,500
Advertisement		588,965	676,660
Entertainment		4,090	-
Fixed assets written off		-	731,795
Short term deposits - CDC and Mobilink write off		-	22,500
Others expenses		400,059	376,790
Depreciation	6	29,314	12,842
		<u>13,691,738</u>	<u>52,941,080</u>
22.1 Auditors' remuneration			
Audit fee		750,000	600,000
Half year review fee		100,000	108,000
Others		-	56,400
		<u>850,000</u>	<u>764,400</u>

	<i>Note</i>	2026 ----- Rupees -----	2025 ----- Rupees -----
23 FINANCE COST			
Interest on short term loan	15	9,322,341	1,156,255
Bank charges		16,905	3,738
		9,339,246	1,159,993

24 OTHER OPERATING INCOME			
Tanks and Cylinder deposits written back	24.1	3,904,959	-

24.1 The Company has written back it's old outstanding liabilities related tanks and cylinder deposits from various companies.

25 LEVY			
Final tax	25.1	109	221

25.1 This represents Final tax paid under Section 5 of Income tax ordinance 2001 (ITO 2001)

26 TAXATION			
Current tax			
- Current		-	-
- Prior year		-	-
-Deferred tax		-	-
		-	-

26.1 No provision for current tax has been recognised as the Company sustained a net capital loss on disposal of listed securities during the year

27 (LOSS) PER SHARE - BASIC AND DILUTED

Basic (loss) per share

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

(Loss) for the year - Rupees	Rupees (63,048,273)	(54,048,786)
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Weighted average number of ordinary shares (Number)	Numbers 7,502,510	7,502,510
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(Loss) per share - Rupees	Rupees (8.40)	(7.20)
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Diluted earnings per share

Diluted earnings per share has not been presented as the company did not have any convertible instruments in issue as at June 30, 2026 and June 30, 2025

28 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVE

	Chief Executive Officer		Director	
	2026	2025	2026	2025
	----- Rupees -----			
Remuneration	-	-	-	-
House rent	-	-	-	-
Utilities allowance	-	-	-	-
Vehicle allowance	-	-	-	-
Salary Arrears	-	-	-	-
	-	-	-	-
No. of persons	1	1	7	7

28.1 CEO is working on voluntary basis and drawing remuneration from another group Company

28.2 No remuneration has been paid to non-executive directors of the Company during the year (2025: Nil).

29 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of associates, post-employment benefit funds, directors and key management personnel (including their associates). The Company carries out transactions with related parties at agreed terms.

29.1	Name of Related party	Note	Nature of Relationship
	Weavers Pakistan (Private) Limited		Related party by nature of common directorship
	Crescent Star Insurance Limited.		Related party by nature of common directorship
	Dost Steels Limited		Related party by nature of common directorship
	Crescent Star Foods (Pvt) Limited.		Related party by nature of common directorship
	Crescent Star Luxury (Pvt) Limited.		Related party by nature of common directorship
	Crescent Star Technologies (Pvt) Limited.		Related party by nature of common directorship
	SG Power Limited		Related party by nature of common directorship
	Alman Seyyam Sugar Mills (Pvt.) Ltd.		Related party by nature of common directorship
	Elahi Noor Enterprises (Pvt) Limited		Related party by nature of common directorship
	ZKB Construction (Pvt) Ltd.		Related party by nature of common directorship
	Invigo Energy (Pvt) Ltd.		Related party by nature of common directorship
	Millennium Sec. Ser. (Pvt) Ltd.		Related party by nature of common directorship
	Swat Motorway and Related Tourism Infrastructure Development (Pvt) Ltd.		Related party by nature of common directorship
	Zahir Khan & Brothers ZKB (Pvt) Ltd.		Related party by nature of common directorship
	ZKB Cement (Pvt) Ltd.		Related party by nature of common directorship
	ZKB Energy Development (Pvt) Ltd.		Related party by nature of common directorship
	ZKB Town (Pvt) Ltd.		Related party by nature of common directorship
	Quetta City Developers (Pvt) Ltd		Related party by nature of common directorship
	Wim Marketing (Pvt) Ltd.		Related party by nature of common directorship
	ZKB Development and Management Company (Pvt) Ltd.		Related party by nature of common directorship
	ZKB Minerals (Pvt) Ltd.		Related party by nature of common directorship
	Kdotco (Pvt) Ltd.		Related party by nature of common directorship
	ABC Construction (Pvt) Ltd.		Related party by nature of common directorship
	Minecore Resources (Pvt) Ltd		Related party by nature of common directorship
	Mohabat Khan (SMC-Pvt) Ltd.		Related party by nature of common directorship
	Naim Anwar		Chief Executive Officer
	Mohabbat Khan		Independent director
	Saba Azam		Independent director
	Zahir Khan		Non-executive director
	Muhammad Ali		Non-executive director
	Huma Javaid		Non-executive director
	Suhail Elahi		Non-executive director
	Muhammad Munir Ismail		Key management personnel
	Hassan Naseem		Major Shareholder (34.42%)

29.2 Following are the related parties with whom the Company had entered into transaction otherwise stated elsewhere:

29.2.1 Transactions with related parties

		For the year ended	
Name	Nature of transaction	2026	2025
		----- Rupees -----	
Crescent Star Insurance Limited.	Office rent payment	550,000	350,000
Weavers Pakistan (Pvt.) Limited	Share application money received for future issue of right shares	-	3,197,120,000
Alman Seyyam Sugar mills (Pvt.) Limited	Advance for working capital and capital expenditure paid	-	3,174,110,000
Weavers Pakistan (Pvt.) Limited	Loan received in order to meet routine expenses	92,510,000	16,558,000
	Loan Repayment	40,650,960	6,117,267
	Interest charged	9,322,341	1,156,255
Hanif Y. Bawany	Loan repaid	-	133,309
Crescent Star Insurance Limited.	Gain on Sale and Purchase of Equity Securities	7,237,547	-
Dost Steels Limited	Loss on Sale and Purchase of Equity Securities	9,357,092	-
SG Power Limited	Gain on Sale and Purchase of Equity Securities	51,800	-

29.2.2 Balances with related parties:

		As at	
Name	Nature of transaction	2026	2025
		----- Rupees -----	-----
Weavers Pakistan (Pvt.) Limited	Share application money received for future issue of right shares	3,197,120,000	3,197,120,000
Alman Seyyam Sugar mills (Pvt.) Limited	Advance for working capital and capital expenditure paid	3,174,110,000	3,174,110,000
Weavers Pakistan (Pvt.) Limited	Loan payable	72,778,369	11,596,988
Dost Steels Limited	Short term investment	137,158	-

30 FINANCIAL RISK MANAGEMENT

30.1 Financial instruments by category

FINANCIAL ASSETS

Through Amortized cost

Trade and other receivables

946,323 2,184,400

Cash and bank balances

416,468 2,201,915

1,362,791 4,386,315

Fair value through profit or loss

Short term investments

811,785 95,223

2,174,576 4,481,538

FINANCIAL LIABILITIES

Through Amortized Cost

Accrued and other liabilities

761,244 600,744

Unclaimed dividend

717,420 717,420

Tanks and Cylinder deposits

- 4,054,959

1,478,664 5,373,123

30.2 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:

30.2.1 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 or liabilities in the financial year 2026

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit and loss.

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the reporting date would not affect statement of profit and loss.

c) Other price risk

The Company is not significantly exposed to equity securities price risk because it has a very small amount of investment in equity securities, which has been classified as fair value through profit or loss and has already been marked to market.

30.2.2 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:

	2026	2025
	----- Rupees -----	
Trade and other receivables	946,323	2,184,400
Advance to Related Party	3,174,110,000	3,174,110,000
	<u>3,175,056,323</u>	<u>3,176,294,400</u>

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

The credit quality of Company's bank balances assessed with reference to Pakistan Credit Rating Agency (PACRA) as at June 30, 2026 is as follows:

Banks	Credit Rating (Short term)		
MCB Bank Limited	A1+	-	647
United Bank Limited	A1+	370,337	1,926,423
Meezan Bank Limited	A1+	3,768	3,883
National Bank of Pakistan	A1+	2,264	253,070
Bank Makramah Ltd.	A2	12,125	4,425
Bank Alfalah Ltd.	A1+	10,000	-
		<u>398,494</u>	<u>2,188,448</u>

30.2.3 **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, 2026				
Tanks and Cylinder deposits	-	-	-	-
Accrued and other liabilities	611,244	-	-	611,244
Unclaimed dividend	717,420	-	-	717,420
	<u>1,328,664</u>	-	-	<u>1,328,664</u>
As of June 30, 2025				
Tanks and Cylinder deposits	4,054,959	-	-	4,054,959
Accrued liabilities	600,744	-	-	600,744
Unclaimed dividend	717,420	-	-	717,420
	<u>5,373,123</u>	-	-	<u>5,373,123</u>

31 **SHARIAH COMPLIANT DISCLOSURE**

Statement of Financial Position

	June 30, 2026 Carried under		June 30, 2025 Carried under	
	Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements
Assets				
Trade and other receivables	-	946,323	-	2,184,400
Advance to Related Party	-	3,174,110,000	-	3,174,110,000
Short term investments	29,389	782,396	2,770	92,453
Bank Balances	-	398,494	-	2,188,448
Liabilities				
Loan from associated company	72,778,369	-	11,596,988	-
Accrued and other liabilities	-	761,244	-	600,744
Tanks and cylinder deposits	-	-	-	4,054,959

Statement of comprehensive income

	June 30, 2026 Carried under		June 30, 2025 Carried under	
	Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements
Dividend income on short term investments	-	731	-	1,474
Unrealised gain on short term investments	7,934	43,764	679	32,402
Realised gain/ (loss) on short term investments	7,289,348	(12,582,222)	-	-
Finance costs	9,339,246	-	1,159,993	-

32 FAIR VALUE MEASUREMENT

32.1 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of the all financial assets and liabilities reported in the financial statements approximate their fair values.

In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its financial and non-financial assets in terms of following fair value hierarchy:

Level 1:	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

32.2 Fair value of non-financial assets

There is no non financial assets measured at fair value on a recurring basis.

33 CAPITAL RISK MANAGEMENT

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.

	2026	2025
	----- Rupees -----	
Total Debts	(74,257,033)	(16,970,111)
Total Equity	(92,302,585)	(29,254,312)
	<u>(166,559,618)</u>	<u>(46,224,423)</u>

34 SUBSEQUENT EVENT

Subsequent to the reporting date, the Company issued 600,000,000 ordinary shares of Rs. 10 each, other than by way of right, in consideration for the acquisition of 51,114,011 shares of Alman Seyyam Sugar Mills (Private) Limited ("ASSM") from its sponsors, valued at Rs. 234.769 per share. The issuance was made pursuant to the Share Purchase Agreement dated August 01, 2024, in accordance with Section 83(1)(b) of the Companies Act, 2017, and the direction issued by the Securities and Exchange Commission of Pakistan (SECP) dated June 26, 2025. The issuance was cleared by SECP subject to conditions specified in its approval, including completion of the Public Offer process and submission of a certificate by the Manager to the Offer under Section 119(3) of the Securities Act, 2015. A certificate confirming compliance with the Central Depository System – Standard Operating Procedures (Annexure B, Sr. No. 4 of Chapter 2) was issued by the Company's statutory auditors on August 18, 2026, and the shares were credited into the allottees' CDC accounts on August 19, 2026.

As a result of this issuance, the Company's paid-up capital increased from Rs. 75,025,100 (7,502,510 shares of Rs. 10 each) to Rs. 6,075,025,100 (607,502,510 shares of Rs. 10 each). Following completion of this issuance, ASSM became a subsidiary of the Company. The remaining consideration for the acquisition, not settled through the share issuance, remains payable in cash to the sponsors of ASSM within two years of the date of issuance of the shares.

Subsequent to the reporting date, the Board of Directors also declared the issuance of right shares to existing shareholders, as notified to the Pakistan Stock Exchange on September 3, 2026. The Company also received SECP approval to increase its authorized share capital from Rs. 11 billion to Rs. 12.1 billion, notified to PSX on September 14, 2026.

Above mentioned events does not require adjustment to the amounts recognized in these financial statements as it is indicative of conditions that arose after the reporting date, and its effect will be reflected prospectively in the Company's financial statements for the period in which it occurred.

35 NUMBER OF EMPLOYEES

The numbers of employees at the year ended were 3 (2025: 2) and average number of employees during the year were 3 (2025: 2).

36 GENERAL

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

37 AUTHORIZATION FOR ISSUE

06 OCT 2026

These financial statements were authorized for issue on
Company.

by the Board of Directors of the

NAIM ANWAR
Chief Executive officer

MUHAMMAD MUNIR
Chief Financial Officer

MUHAMMAD ALI
Director



BAWANYAIR

PRODUCTS LIMITED

Form of Proxy

The Director
Bawany Air Products Limited
Office, 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 47th Annual General Meeting of the Company to be held on
the **27th day of November 2025** and at any every adjournment thereof.

Signed by _____
Signed under my / our hand this the _____ day of _____, 2026

Witness – 1

Witness – 2

Name : _____
CNIC : _____
Address : _____

Name : _____
CNIC : _____
Address : _____

Signature across
Revenue Stamp

NOTE:

- The signature should match with the specimen signature registered with the company.
- A Proxy need not be a member of the Company
- Proxy Forms properly completed should be deposited at the office of the Company's Share Registrar, F.D. Registrar Services (Pvt) Limited, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000, 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:

- 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.
- The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the Form.
- The Proxy shall produce his / her original and valid CNIC or Passport at the time of the Meeting.
- 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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