

GCIL/Corp-EOGM/PSX/II

November 01, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road - Karachi.

**Subject: NOTICE OF EXTRA ORDINARY GENERAL MEETING REGARDING
APPROVAL OF DEMERGER/MERGER SCHEME**

Dear Sir,

Further to our letter No. GCIL/Corp-EOGM/PSX dated 01-11-2024, we are pleased to enclose Notice of Extra Ordinary General Meeting (along with Scheme of Compromises, Arrangements and Reconstruction and other related matters in terms of Provisions of Section 279 to 283 of the Companies Act, 2017 and other applicable laws) being dispatched to the shareholders of the Company.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

For and on behalf of
Ghani Chemical Industries Limited



FARZAND ALI
Company Secretary

Encl: - As stated above

CC: 1 - The Executive Director/HOD, Offsite-II Department, SECP, Islamabad.
2 - Head of Operation, Central Depository Company of Pakistan, Karachi.

Corporate Office:

10-N, Model Town Ext. Lahore - 54000, Pakistan.
UAN: 111-Ghani1, Ph: +92-42-35161424-5,
Fax: +92-42-35160393
E-mail: info.gases@ghaniglobal.com
www.ghanigases.com / www.ghaniglobal.com

Lahore Plants:

52-Km, Multan Road,
Phool Nagar Bypass, Distt. Kasur.
Ph: 92-49-4510349-549
Fax: 92-49-4510749
E-mail: ggl1plant@ghaniglobal.com

Karachi Plants:

A-53, Chemical Area,
Eastern Industrial Zone,
Port Qasim, Karachi 75020
Ph: 92-21-34016152 Fax: 92-21-34016142
E-mail: ggl2plant@ghaniglobal.com

Hattar Plants:

Plot No. 7-24, Zone-B,
Hattar Special Economic Zone,
District Haripur.
E-mail: ggl3plant@ghaniglobal.com



Ghani Global Group

Ghani Chemical Industries Limited

Manufacturers of Medical / Industrial Gases & Chemicals

Notice of Extra-Ordinary General Meeting

to be held on November 23, 2024

for approval of

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

(in terms of Provisions of Sections 279 to 283 of the Companies Act, 2017)

Demerger/Merger

of

Ghani Chemical Industries Limited

and

Ghani ChemWorld Limited

and

Ghani Products (Private) Limited

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GHANI CHEMICAL INDUSTRIES LIMITED

Corporate Information

BOARD OF DIRECTORS

Masroor Ahmad Khan
(Chairman)
Hafiz Farooq Ahmad
(Chief Executive Officer)
Atique Ahmad Khan
Rabia Atique
Muhammad Hanif
Hafiz Imran Lateef
Shiekh Muhammad Saleem Ahsan

MANAGEMENT TEAM

Asim Mahmud
(Director Finance / CFO)
Arzand Ali
(GM Corporate / Company Secretary)
Syed Sibtul Hassan Gilani
(GM Procurement)
Bilal Butt
(GM Sales & Marketing)
Abid Ameen
(Head of Plants)

REGISTERED/CORPORATE OFFICE

10-N, Model Town Ext, Lahore.
UAN: 111 GHANI 1 (442-641)
Fax: (092) 042-35160393
E-mail: info.gases@ghaniglobal.com
Website: www.ghaniglobal.com

REGIONAL MARKETING OFFICE

C-7/A, Block F, Gulshan-e-Jamal
Rashid Minhas Road, Karachi.
Ph: 021-34572150

MANUFACTURING PLANTS

- Phool Nagar, Tehsil Pattoki,
Distt. Kasur, Punjab.
- Eastern Industrial Zone, Port Qasim,
Karachi, Sindh.
- Hattar Special Economic Zone,
Distt. Haripur, KPK.

SHARE REGISTRAR

Corplink (Private) Limited
Wings Arcade, 1-K Commercial,
Model Town, Lahore-Pakistan.
Tell: 042-35916714

BOARD COMMITTEES

Audit & Risk Management Committee

Shiekh Muhammad Saleem Ahsan
(Chairman)
Masroor Ahmad Khan
Rabia Atique

HR&R and Compensation Committee

Hafiz Imran Lateef
(Chairman)
Rabia Atique
Hafiz Farooq Ahmad
Muhammad Hanif

BANKERS

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami (Pakistan) Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metro Bank Limited
JS Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
The Bank of Khyber

EXTERNAL AUDITORS

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

SHARIAH ADVISOR (SUKUK)

Al Halal Shariah Advisors (Private) Limited

CREDIT RATING

Long term rating A
Short term rating A1
(by The Pakistan Credit Rating Agency Limited)

LEGAL ADVISOR

Asif Mahmood Khan, Advocate
DSK Law Firm, Lahore.

GHANI CHEMICAL INDUSTRIES LIMITED

Notice of Extra Ordinary General Meeting

Demerger/Merger of Ghani Chemical Industries Limited, Ghani Chemworld Limited And Ghani Products (private) Limited

In compliance with the Honorable Lahore High Court, Lahore order passed in Civil Original No. 65259/2024, notice is hereby given that Extraordinary General Meeting (EOGM) of the shareholders of Ghani Chemical Industries Limited (GCIL/the Company) will be held on Saturday November 23, 2024 at 11:30 AM at registered office of the Company i.e. 10-N, Model Town Ext., Lahore to transact the following business:

To consider and if deemed fit to approve, adopt and agree to the Scheme of Compromises, Arrangement and Reconstruction for Demerger/Merger of Ghani Chemical Industries Limited, Ghani ChemWorld Limited and Ghani Products (Private) Limited & its related matters in pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions and to pass the following resolutions as special resolutions by the shareholders of the Company with or without modification(s), addition(s) or deletion(s):

- 1) **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval by the Honorable Lahore High Court or any other competent Court/ authorities, the proposed demerger of Calcium Carbide Project of Ghani Chemical Industries Limited ('Transferor Company') with and into Ghani ChemWorld Limited ('Transferee Company') along with the draft Scheme of Compromises, Arrangement and Reconstruction as placed before the shareholders, be and are hereby approved.
- 2) **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval by the Honorable Lahore High Court, the proposed merger of Ghani Products (Private) Limited ('Transferor Company') with and into Ghani Chemical Industries Limited ('Transferee Company') along with the draft Scheme of Compromises, Arrangement and Reconstruction as placed before the shareholders, be and are hereby approved.
- 3) **RESOLVED FURTHER THAT** approval be and is hereby accorded to implement the Scheme and accordingly application/petition shall be filed with the Securities and Exchange Commission of Pakistan, honorable Lahore High Court, Pakistan Stock Exchange Limited and any other competent authority(ies).
- 4) **RESOLVED FURTHER THAT** the approval of the shareholders be and is hereby granted to the terms and conditions as set out in the draft Scheme of, which includes, inter-alia, the following:
 - a) That the shares of Ghani Chemical Industries Limited held by Ghani Products (Private) Limited shall be distributed to the shareholders of Ghani Products (Private) Limited on pro-rata basis; and
 - b) That remaining asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company (Ghani Products (Private) Limited) will be transferred to and vest in the Transferee Company i.e. Ghani Chemical Industries Limited (as described in Schedule – 2 of the Scheme); and
 - c) That all asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company (Ghani Chemical Industries Limited) related to the Calcium Carbide Project will be transferred to and vest in the Transferee Company i.e. Ghani ChemWorld Limited (as described in Schedule – 1 of the Scheme); and
 - d) That all the employees of the Transferor Company (i.e. Ghani Products (Private) Limited), if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company i.e. Ghani Chemical Industries Limited (as described in Schedule – 5 of the Scheme) on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date; and

- e) That all the employees related to the Calcium Carbide Project of the Transferor Company (i.e. Ghani Chemical Industries Limited), if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company i.e. Ghani ChemWorld Limited (as described in Schedule – 5 of the Scheme) on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date; and
 - f) That the Scheme of compromises, arrangement and reconstruction shall be effective from Effective Date, the provisions of the Scheme, so far as they relate to transfer and vesting of the business and undertaking(s) of the Transferor Company (as described in Schedule – 1 Schedule - 2, Schedule – 4 and Schedule - 7 of the Scheme) into the Transferee Company, shall be applicable and come into operation from the Sanction Date or such other date as the Honorable Lahore High Court may approve; and
 - g) That the Ghani Chemical Industries Limited shall allot shares to the shareholders of the Ghani Products (Private) Limited in accordance to the SWAP Ratio as per the Valuation Report given by the ShineWing Hameed Chaudhri & Co., Chartered Accountants (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
 - h) The Ghani ChemWorld Limited shall allot partially redeemable shares to the shareholders of the Ghani Chemical Industries Limited in accordance to the SWAP Ratio as per the Valuation Report given by the ShineWing Hameed Chaudhri & Co., Chartered Accountants (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
 - i) That the Ghani Chemical Industries Limited shall allot additional ordinary shares (as mentioned in Article-4 of the Scheme) to Ghani ChemWorld Limited, as tabled before the meeting and taken note of; and
 - j) Partially Redeemable Shares of Ghani ChemWorld Limited shall be listed with the Pakistan Stock Exchange Limited (PSX) and it shall have eligibility status with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities.
 - k) Effective date of the Scheme is June 30, 2024 or any other date which is determined by the honorable Lahore High Court. However, this will not affect the SWAP ratio (and distribution ratio) determined in the Scheme. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. Moreover, actual transfer will be effectuated on sanctioned date, when the Scheme shall become the operative (as defined in Article – 4 of the Scheme). No further approval shall be required from the shareholders of the Company.
 - l) SWAP ratio will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan, as the case may be. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. No further approval shall be required from the shareholders of the Company.
- 5) **RESOLVED FURTHER THAT** pursuant to the provision of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, necessary joint/separate application(s), petition(s) may be moved by the Chief Executive Officer or the Company Secretary of Ghani Chemical Industries Limited singly before the Honorable Lahore High Court, for seeking its directions as to convening, holding and conducting of any meeting(s) of the shareholders and creditors (if any) or dispensation thereof, as the case may be, including for the appointment of Chairman, issuance and dispatch of notices and placement of advertisements and for seeking any other directions as the Honorable Lahore High Court may deem fit and proper and for seeking the approval of the proposed amalgamation/ merger and the proposed Scheme of Amalgamation / Merger.”

- 6) **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors of Ghani Chemical Industries Limited to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of partially redeemable shares of Ghani ChemWorld Limited to the shareholders of the Ghani Chemical Industries Limited.
- 7) **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors of Ghani Chemical Industries Limited to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of ordinary shares of Ghani Chemical Industries Limited to the shareholders of the Ghani Products (Private) Limited.
- 8) **RESOLVED FURTHER THAT** the shareholders, be and hereby authorize singly the Chief Executive or the Company Secretary of the Company (i.e. respective company/ corporate undertaking), to undertake and implement all relevant steps/actions, required to be completed, as a consequence of the approval of the above special resolutions.
- 9) **RESOLVED FURTHER THAT** the Chief Executive Officer or the Company Secretary of the Ghani Chemical Industries Limited, be and are hereby singly authorized to submit the certified true copies of the resolutions passed by the shareholders of the Company (i.e. respective company/ corporate undertaking) to the Honorable Lahore High Court, the Registrar of Companies, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and such other competent authorities, if necessary.
- 10) **RESOLVED FURTHER THAT** the approval be and is hereby given to amend the Memorandum and Articles of Association of Ghani ChemWorld Limited to incorporate the requisite changes to issue Partially Redeemable Shares of the Ghani ChemWorld Limited and to operate the extended activities (if required) resultant due to demerger of Calcium Carbide Project.
- 11) **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of the Ghani Chemical Industries Limited, be and are hereby singly authorized:
 - a) To sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger;
 - b) To engage any counsel(s)/advocate(s)/consultant(s) to file the application(s) and petition(s) before the Honorable Lahore High Court, and to do other needful tasks;
 - c) To appear [in person or through representative(s)] before the Honorable Lahore High Court; the Offices of the Registrar of the Companies; the Securities and Exchange Commission of Pakistan; Pakistan Stock Exchange Limited and/or before any other authority or person in connection with the aforesaid amalgamation/merger; and
 - d) To do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid purpose.
- 12) **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of the Ghani ChemWorld Limited, be and are hereby singly authorized to make requisite changes/amendments as described in the Scheme in the Memorandum and Articles of Association of the Ghani ChemWorld Limited.
- 13) **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of the Ghani Chemical Industries Limited, be and are hereby singly authorized to make requisite changes/amendments as described in the Scheme in the Memorandum and Articles of Association of the Ghani Chemical Industries Limited.

Mr. Khawaja Muhammad Saeed and Mr. Azmat Hayat Khan Lodhi Advocates have been appointed as Chairpersons by the Honorable Lahore High Court, Lahore vide its order dated October 21, 2024 to supervise the EOGM and shall file their report on the next date of hearing.



Farzand Ali
Company Secretary

Place: Lahore
Dated: November 01, 2024

- Notes:**
- The detailed statement under section 281(1)(a)/134(3) of the Companies Act, 2017 is annexed with the notice of EOGM being sent to the shareholders of the Company.
 - The Scheme of Compromises, Arrangement and Reconstruction for demerger/ merger along with all annexures thereon is also annexed with the notice of EOGM being sent to the shareholders of the Company.
 - Share Transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Saturday November 16, 2024 to Saturday November 23, 2024 (both days inclusive). Transfer received in order at the office of the share registrar i.e. M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, Telephone No. +92 42 35916714, Fax No. +92 42 35869037, Email: corplink786@gmail.com at the close of business on Friday November 15, 2024 will be treated in time for the purpose of the EOGM.

4. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the EOGM is entitled to appoint a proxy to attend, speak and vote instead of him/her. Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting.

Attendance in the meeting shall be on production of original CNIC or passport.

The Company has made arrangements to ensure that all participants, including shareholders, can participate in the EOGM proceedings via video link. In order to attend the meeting through video link members are requested to share the below information at gcileogm24@ghaniglobal.com, for their appointment/registration and proxy verification by or before November 21, 2024 as per below format:

Full Name	Folio/CDC No.	Company Name	CNIC Number	Registered Email Address	Cell Number

Video link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before November 21, 2024.

5. E-VOTING & VOTING THROUGH POSTAL BALLOT

The shareholders are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the “Regulations”), amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan (SECP), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as Special Business.

Accordingly shareholders of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in forthcoming EOGM to be held on November 23, 2024 at 11:30AM in accordance with the requirements and subject to the condition contained in the aforesaid Regulation.

STATEMENT OF INFORMATION

ACCOMPANYING NOTICE TO THE MEMBERS

UNDER SECTION 281(1)(a) / 134(3) OF THE COMPANIES ACT, 2017

BACKGROUND:

1. Ghani Chemical Industries Limited (GCIL) is principally engaged in the manufacturing, selling and trading of medical & industrial gases and chemicals. Ghani Chemicals Industries Limited has installed more than 140 storage tanks at its customer's premises ranging from 5,000 Liters to 25,000 Liters. The total storage capacity of these tanks is 1,265,000 Liters. The Company has storage tanks of various capacities, from 5,000 Liters to 25,000 Liters, to transport the liquid gases from its production facilities to Customer premises spreading across Pakistan. The Company has set up Air Separation Unit plant at Port Qasim, Karachi, for the exclusive supply of Liquid Oxygen and Liquid Nitrogen to a customer, for 15 years.

To cater to the growing demand for the products in the medical sector, industries, development projects and CPEC in K.PK and Northern areas, the Company has also commenced the construction work for the setup of its 5th Air Separation Unit Plant for 275 MTPD capacity for medical & industrial gases and Calcium Carbide manufacturing plant at Hattar Special Economic Zone, District Haripur, which will become in production within couple of months.

2. Ghani ChemWorld Limited (GCWL) was incorporated on July 31, 2024 under Companies Act, 2017 as wholly owned subsidiary of GCIL. GCWL will run, operate the Calcium Carbide and related products Project. This project is being setup at Hattar Special Economic Zone.

The principal line of business of the company shall be to manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, buy, sell, import, export or otherwise deal various chemical and allied products. Main purpose of the formation of the Company is to transfer Calcium Carbide Project from GCIL to GCWL. All the concessions, licenses, incentives, tax holidays related to the Calcium Carbide Project will be transferred (without effecting GCIL as a Residual) to GCWL under the Scheme.

3. Ghani Products (Private) Limited (GPL) was incorporated in Pakistan as private limited company under repealed Companies Ordinance, 1984 on May 11, 2015 as Ghani Chemicals (Private) Limited. The name of Company was changed to Ghani Products (Private) Limited with effect from November, 10, 2015. During April 2024, G3 Fintech (Private) Limited was merged with and into GPL under Section 284 of the Companies Act 2017. The principal business of the company is to manufacture and sales of chemical products. However, as on effective date, business activities of the Company is dormant. It has only one equity investment (in the shares of Ghani Chemicals Industries Limited).

OBJECTIVE OF THE SCHEME:

1. GCIL is operating medical/industrial gases plants and is in the process of installing/constructing calcium carbide manufacturing plant (i.e. Calcium Carbide Project). Calcium Carbide Project will be carved out/separated from GCIL (as a transferor) and shall be transferred with and into GCWL (as a transferee);
2. All licenses, incentives, zone enterprise status, concessions, approvals including approvals from Department of Explosives, Department of Environment, electricity connection from PESCO (related to Calcium Carbide Project), tax holidays (under Clause 126E of Part 1 of the Second Schedule under Income Tax Ordinance, 2001) available to GCIL for the project(s) being setup at Hattar Special Economic Zone (announced by the Government of Khyber PK and the Government of Pakistan) shall also be available to GCWL under the Scheme. However, this transfer will not affect the incentives, concessions, tax holidays available to GCIL (as a Residual);
3. Shares of the GCWL shall be issued (as an additional capital) to the shareholders of GCIL under the SWAP ratio;
4. Shares of GCWL to be issued to the shareholders of GCIL shall be partially redeemable with par/nominal value of Rs. 100/- per shares divided into redeemable portion of Rs. 90/- per share and irredeemable portion of Rs. 10/- per share. Terms and conditions of the Partially redeemable Shares are defined in the Scheme and appropriate amendments shall be made in the Memorandum and Articles of Association of GCWL;

5. Partially redeemable shares of GCWL shall also be listed on PSX;
6. Ordinary shares of GCWL will be held by GCIL;
7. GCIL shall be operating/running (and will specialize in) the medical/ industrial gases (as a residual);
8. Additional shares of GCIL shall also be issued to GCWL under the Scheme. This will help GCWL to access the revenue stream of established projects (i.e. medical/industrial gases) at the outset;
9. Part of the assets and liabilities including authorized share capital of GPL shall be transferred to GCIL and part of assets (net) shall be distributed to the shareholders of GPL;
10. Shares of GCIL (as an additional capital) shall be issued to the shareholders of GPL under SWAP ratio;
11. GPL will be dissolved by the order of the Honorable Lahore High Court, without winding up;

BENEFITS OF THE SCHEME:

1. Share of GCIL is trading well below its book value. Management of the Company (GCIL) is confident that separate value of medical/industrial gases segment and calcium carbide project will be higher than the combined value of these two segments in GCIL. Thus separating the “Calcium Carbide Project” from GCIL will create the value for the shareholders;
2. Shareholders of GCIL will get the shares (in the form of partially redeemable shares) of GCWL;
3. Partially Redeemable Shares of GCWL shall carry voting rights (equivalent to the ordinary shares of the Company) and other features as described in the Scheme;
4. GCWL shall be running/operating “Calcium Carbide Project” as an independent strategic business unit responsible for its own decision making which will help to unlock the value of the project in the capital market;
5. As an independent listed entity, GCWL will have power to raise additional funds, if required, from the Capital Market and/or Banking Sector;
6. Shareholders of GPL will also get the ordinary shares of GCIL (as an additional capital) under SWAP ratio. Moreover, shares of GCIL held by GPL will be distributed to the shareholders of GPL;
7. Shares of GCIL (as an additional capital) will be issued to GCWL that will help GCWL to access the revenue stream of already established business;
8. Partially Redeemable Shares of GCWL shall be listed on PSX, thus shareholders of GCIL will have two listed shares i.e. shares of GCIL and partially redeemable shares of GCWL;

FINANCIAL IMPACT AND ANALYSIS:

1. Shares issuance by GCIL shall be as under:

Ordinary Shares of the Company before Impact of the Scheme	Nos.	500,187,971
Additional ordinary shares to be Issued to the shareholders of GPL	Nos.	263,960
Additional ordinary shares to be Issued to GCWL	Nos.	70,000,000
Ordinary Shares of the Company after Impact of the Scheme	Nos.	<u>570,451,931</u>

2. The Shares issuance by GCWL shall be as under:

Net Assets to be Transferred to GCWL by GCIL	Rs. 000	2,501,184
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Represented by

Merger reserve	Rs. 000	244
Share capital	Rs. 000	2,500,940
Ordinary shares of GCIL Outstanding	Nos.	500,187,971
Partially Redeemable Shares	Nos.	25,009,395
SWAP Ratio	per 1000	50.00

i.e. 50 of partially redeemable shares of GCWL against every 1,000 ordinary shares of GCIL

Shareholding structure of GCWL after the issuance of shares shall be as follows:

Ghani ChemWorld Limited		
Ordinary Shares	Nos.	50,000
Partially Redeemable Shares	Nos.	25,009,395

OTHER MATTERS:

1. Interest of Directors:

The Directors are interested in the resolutions to the extent of their common directorships and their respective shareholdings in each of the companies as mentioned in the list of shareholders and as mentioned in the Scheme.

2. Effect on Secured Creditors:

There are certain secured liabilities (including Sukuk outstanding) shall be transferred from GCIL to GCWL under the Scheme. However, NOC from the secured creditors shall be obtained for the Scheme.

3. Risk Factors:

- The Scheme is not approved by the shareholders of any Company.
- The Scheme is not approved/sanctioned by SECP or the Honorable Lahore High Court, Lahore.
- Once the Scheme is approved by the Honorable Court, listing process may be delayed by PSX or price of the shares of GCWL and GCIL (after listing on PSX) may move adversely.

4. Mitigants to Risk Factors:

- As mentioned in the Scheme, individual companies shall continue and operate till the Scheme is approved by the Honorable Lahore High Court, Lahore.
- Price of the share is dependent on the market forces that in turn dependent on general economic condition, interest rate, political stability, fiscal and monetary policies etc., which are beyond of any companies' control.
- Moreover, the intended Scheme is for the demerger of GCIL (part segment i.e. Calcium Carbide Project) with and into GCWL. Management of the Company is in view that provisions of CCP is not applicable.

5. Possible Purchase of Share by any other Company involved in the Scheme:

Nil



6. Effect on any Funds for Employees:

As mentioned in the Scheme, employees will be transferred on the same remuneration and other conditions of service, rights, privileges as to the provident fund, gratuity, any other retirement funds, if any, and other matters as had been applicable to them, before the effective date.

7. Cost of the Scheme:

Ghani Chemical Industries Limited shall bear all the expenses related to the Scheme.

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

Part 1 – Demerger of Ghani Chemical Industries Limited by Transferring Business and Undertaking related to Calcium Carbide Project i.e. part of the undertaking or property/assets and/or liabilities of Ghani Chemical Industries Limited (“as a transferor company”) are to be transferred to Ghani ChemWorld Limited (“as the transferee company”)

1. GHANI CHEMICAL INDUSTRIES LIMITED (AND ITS MEMBERS)

WITH AND INTO

2. GHANI CHEMWORLD LIMITED (FOR CALCIUM CARBIDE PROJECT) (AND ITS MEMBERS)

3. GHANI CHEMICAL INDUSTRIES LIMITED (AS A RESIDUAL) (AND ITS MEMBERS)

Part 2 – Merger of Ghani Products (Private) Limited with and into Ghani Chemical Industries Limited

1. GHANI PRODUCTS (PRIVATE) LIMITED (AND ITS MEMBERS)

WITH AND INTO

2. GHANI CHEMICAL INDUSTRIES LIMITED (AND ITS MEMBERS)

(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 OF THE COMPANIES ACT, 2017)

Both Parts shall be construed independently and disapproval of any Part shall not affect the approval (and enforceability) of other/remaining Part.

PREAMBLE

1. GHANI CHEMICAL INDUSTRIES LIMITED

BACKGROUND

Ghani Chemical Industries (GCIL) inherited its business from Ghani Gases (Private) Limited, which was incorporated on November 19, 2007, and later converted into a public company on February 12, 2008. Ghani Gases Limited was listed on the Karachi Stock Exchange on January 5, 2010. Later on, under the scheme of compromises, arrangements, & reconstruction sanctioned by the honorable Lahore High Court, Lahore, on February 6, 2019 (CO No. 221137/2018), Ghani Gases Limited transferred its manufacturing undertaking to Ghani Chemical Industries Limited (a subsidiary company) on July 8, 2019. Ghani Chemical Industries Limited was incorporated as a private limited company on November 23, 2015, and was converted into a public limited company on April 20, 2017.

Pursuant to the Scheme of Arrangement for merger/amalgamation of G3 Technologies Limited with and into Ghani Chemical Industries Limited, sanctioned by the honorable Lahore High Court, Lahore, vide Order dated October 11, 2022 (C.O. No. 25797/2022), Pakistan Stock Exchange Limited listed Ghani Chemical Industries Limited on November 14, 2022.

Its production facilities are situated at:

- Phool Nagar, District Kasur.
- Eastern Industrial Zone, Port Qasim, Karachi.
- Hattar Special Economic Zone, District Haripur (under construction)

The Company also has a liaison office in Sangjani, District Rawalpindi and marketing office in Karachi.

The Company is principally engaged in the manufacturing, selling and trading of medical & industrial gases and chemicals. Ghani Chemicals Industries Limited has installed more than 140 storage tanks at its customer's premises ranging from 5,000 Liters to 25,000 Liters. The total storage capacity of these tanks is 1,265,000 Liters. The Company has storage tanks of various capacities, from 5,000 Liters to 33,000 Liters, to transport the liquid gases from its production facilities to Customer premises spreading across Pakistan. The Company has set up Air Separation Unit plant at Port Qasim, Karachi, for the exclusive supply of Liquid Oxygen and Liquid Nitrogen to a customer, for 15 years.

To cater to the growing demand for the products in the medical sector, industries, development projects and CPEC in K.PK and Northern areas, the Company is setting up of its 5th Air Separation Unit Plant for 275 MTPD capacity for medical & industrial gases and Calcium Carbide manufacturing plant at Hattar Special Economic Zone, District Haripur, which will become in production within couple of months.

The Corporate unique identification (CUIN) of GCIL is 0096299. The Company's shares are listed on PSX under an earlier scheme having been sanctioned by the honorable Lahore High Court accomplished through Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017.

Registered office	:	10-N, Model Town Extension, Lahore.
External Auditors	:	ShineWing Hameed Chaudhri & Co. Chartered Accountants
Legal Advisors	:	Asif Mahmood Khan, Advocate DSK Law Firm, Lahore
Share Registrar	:	Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore
Listing Status	:	Listed at PSX
Trading Symbol	:	GCIL
Market Price	:	Rs. 11.25 per Share (as on September 13, 2024)
Trading Status	:	Active (main board)

Number of licenses/approvals issued and incentives available to the Company by the relevant authorities:

1. Licenses to store Carbide Calcium issued by Ministry of Energy (Petroleum Division) Department of Explosives, Government of Pakistan, Regional Offices, Lahore and Karachi.
2. Licenses to fill Compressed Gas in Cylinders issued by Ministry of Energy (Petroleum Division) Department of Explosives, Government of Pakistan, Regional Offices, Lahore, Karachi and Islamabad.
3. Construction/manufacturing approvals for storage of gases issued by Ministry of Energy (Petroleum Division) Department of Explosives, Government of Pakistan, Regional Offices, Lahore, Karachi, Islamabad and Peshawar.
4. Pakistan Engineering Council license of Pakistani Constructor (Category C6), Field of Specialization ME01-ME02-ME04-ME-05-ME06-ME07 (General Mechanical Works only).
5. There are certain incentives that are available to Hattar Special Economic Zone that include but not limited to:
 - a. 25% subsidy on the Transportation for all new plant & machinery from Karachi Port to Hattar Special Economic Zone.
 - b. KPK Government to bear 25% of the electricity bill up to 3 years from the start of Commercial Production for all new units.
6. Federal Government Incentives under Section 37 of Special Economic Zone Act, 2012 is as follows:
 - a. One time exemption from custom-duties and taxes on import of plant and machinery into SEZ. (Availed) (U/S. 37(a)).
 - b. Exemption from all taxes on income for enterprises for the next ten years. (U/S. 37(b)) and Clause 126(E) of Part I of the Second Schedule to the Income Tax Ordinance 2001.
7. GCIL has obtained Zone Enterprise Status from Khyber Pakhtunkhwa Economic Zones Development & Management Company, Government of Khyber PK on 06-09-2023.

Financial position (audited) of GCIL as on June 30, 2024 is as follows:

Ghani Chemical Industries Limited
Statement of Financial Position

	June 30, 2024 Rs. 000
Assets	
Non-current assets	
Property, plant and equipment	10,568,886
Right of use assets	547,649
Intangible assets	1,479
Long term investments	20,075
Long term deposits	66,616
	11,204,705
Current assets	
Stores, spares and loose tools	362,135
Stock-in-trade	160,587
Trade debts	2,142,223
Loans and advances	1,336,248
Deposits, prepayments and other receivables	590,358

Tax refunds due from Government	93,841
Prepaid tax levies	516
Advance income tax	421,970
Short term investments	100,000
Cash and bank balances	468,054
	5,675,932
Total assets	16,880,637

Equity and liabilities

Share capital and reserves

Share capital	5,001,879
Share premium	164,011
Revaluation surplus on freehold and leasehold land	735,087
Merger reserve	1,342,746
Unappropriated profit	2,609,851
	9,853,574

Non-current liabilities

Long term finances	1,640,536
Redeemable capital-Sukuk	800,000
Long term security deposits	70,136
Lease liabilities	5,858
Deferred liabilities	832,854
	3,349,384

Current liabilities

Trade and other payables	313,738
Contract liabilities - advances from customers	644,340
Accrued profit	336,120
Unclaimed dividend	491
Short term borrowings	1,580,482

2. GHANI CHEMWORLD LIMITED

BACKGROUND

Ghani ChemWorld Limited (GCWL) was incorporated on July 31, 2024 under Companies Act, 2017 as wholly owned subsidiary of GCIL. GCWL will run, operate the Calcium Carbide and related products Project. This project is being setup at Hattar Special Economic Zone. The principal line of business of the company shall be to manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, buy, sell, import, export or otherwise deal various chemical and allied products. Main purpose of the formation of the Company is to transfer Calcium Carbide Project from GCIL to GCWL. All the concessions, licenses, incentives, tax holidays related to the Calcium Carbide Project will be transferred (without effecting GCIL as a Residual) to GCWL under the Scheme.

The Corporate Unique Identification (CUIN) of GCIL is 0265009.

Registered office	-	10-N, Model Town Extension, Lahore.
External Auditors	-	ShineWing Hameed Chaudhri & Co. Chartered Accountants
Legal Advisors	-	Asif Mahmood Khan, Advocate DSK Law Firm, Lahore
Share Registrar	-	Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore
Listing Status	-	Unlisted Public Limited Company

Financial position of GCWL as on incorporation date (Certificate of Receipt of Subscription Money) is as follows:

Ghani ChemWorld Limited

Statement of Financial Position based on Certificate of Receipt of Subscription Money

	Rs. 000
Cash and bank balances	500
	500
Share capital	500
	500

2. GHANI PRODUCTS (PRIVATE) LIMITED BACKGROUND

Ghani Products (Private) Limited (GPL) was incorporated in Pakistan as private limited company under repealed Companies Ordinance, 1984 on May 11, 2015 as Ghani Chemicals (Private) Limited. The name of Company was changed to Ghani Products (Private) Limited with effect from November, 10, 2015.

During April 2024, G3 Fintech (Private) Limited was merged with and into GPL under Section 284 of the Companies Act 2017. The principal business of the company is to manufacture and sales of chemical products. However, as on effective date, business activities of the Company is dormant. It has only one equity investment (in the shares of Ghani Chemicals Industries Limited).

The Corporate Unique Identification (CUIN) of GPL is 0093362

Authorized Share Capital	Nos.	5,000,000
Issued Share Capital	Nos.	30,000
Par / Nominal Value	Rs./ share	10.00

Auditors	-	Javed Chaudhary & Co., Chartered Accountants
Registered Office	-	10-N, Model Town Extension, Lahore

Financial position (audited) of GPL as on June 30, 2024 is as follows:

Ghani Products (Pvt.) Limited

Statement of Financial Position

	June 30, 2024
	Rs. 000
Assets	
Non-current assets	
Investments	414,607
	414,607

Current assets

Advance income tax	752
Cash and bank balances	2,312
	3,064

Total assets	417,671
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Equity and liabilities

Share capital and reserves

Share capital	300
Unappropriated profit	62,099
Loan from sponsors	354,847
	417,246

Current liabilities

Trade and other payables	335
Taxation	90
	425

Total equity and liabilities	417,671
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2. OBJECTIVES AND BENEFITS

1) Objective of the Scheme

- 25% subsidy on the Transportation for all new plant & machinery from Karachi Port to Hattar Special Economic Zone.
- All licenses, incentives, zone enterprise status, concessions, approvals including approvals from Department of Explosives, Department of Environment, electricity connection from PESCO (related to Calcium Carbide Project), tax holidays (under Clause 126E of Part 1 of the Second Schedule under Income Tax Ordinance, 2001) available to GCIL for the project(s) being setup at Hattar Special Economic Zone (announced by the Government of Khyber PK and the Government of Pakistan) shall also be available to GCWL under the Scheme. However, this transfer will not affect the incentives, concessions, tax holidays available to GCIL (as a Residual);
- Shares of the GCWL shall be issued (as an additional capital) to the shareholders of GCIL under the SWAP ratio;
- Shares of GCWL to be issued to the shareholders of GCIL shall be partially redeemable with par/nominal value of Rs. 100/- per shares divided into redeemable portion of Rs. 90/- per share and irredeemable portion of Rs. 10/- per share. Terms and conditions of the Partially redeemable Shares are defined in the Scheme and appropriate amendments shall be made in the Memorandum and Articles of Association of GCWL;
- Partially redeemable shares of GCWL shall also be listed on PSX;
- Ordinary shares of GCWL will be held by GCIL;
- GCIL shall be operating/running (and will specialize in) the medical/ industrial gases (as a residual);
- Additional shares of GCIL shall also be issued to GCWL under the Scheme. This will help GCWL to access the revenue stream of established projects (i.e. medical/industrial gases) at the outset;

9. Part of the assets and liabilities including authorized share capital of GPL shall be transferred to GCIL and part of assets (net) shall be distributed to the shareholders of GPL;
10. Shares of GCIL (as an additional capital) shall be issued to the shareholders of GPL under SWAP ratio;
11. GPL will be dissolved by the order of the Honorable Lahore High Court, without winding up;

2) Benefits of the Scheme

1. Share of GCIL is trading well below its book value. Management of the Company (GCIL) is confident that separate value of medical/industrial gases segment and calcium carbide project will be higher than the combined value of these two segments in GCIL. Thus separating the “Calcium Carbide Project” from GCIL will create the value for the shareholders;
2. Shareholders of GCIL will get the shares (in the form of partially redeemable shares) of GCWL;
3. Partially Redeemable Shares of GCWL shall carry voting rights (equivalent to the ordinary shares of the Company) and other features as described in the Scheme;
4. GCWL shall be running/operating “Calcium Carbide Project” as an independent strategic business unit responsible for its own decision making which will help to unlock the value of the project in the capital market;
5. As an independent listed entity, GCWL will have power to raise additional funds, if required, from the Capital Market and/or Banking Sector;
6. Shareholders of GPL will also get the ordinary shares of GCIL (as an additional capital) under SWAP ratio. Moreover, shares of GCIL held by GPL will be distributed to the shareholders of GPL;
7. Shares of GCIL (as an additional capital) will be issued to GCWL that will help GCWL to access the revenue stream of already established business;
8. Partially Redeemable Shares of GCWL shall be listed on PSX, thus shareholders of GCIL will have two listed shares i.e. shares of GCIL and partially redeemable shares of GCWL;

3) Book Value of the Companies/ Entities before and after the Scheme

		GCIL	GCWL	GPL
Before the Scheme				
Shares Outstanding	Nos.	500,187,971	50,000	30,000
Book Value	Rs./Share	19.70	10.00	2,079.98
Current ratio	Times	1.54	N/A	7.22
Debt-equity ratio	Times	0.71	N/A	0.00

After the Scheme

Shares Outstanding	Nos.	570,451,931	25,059,395
Book Value	Rs./Share	14.70	99.83*
Current ratio	Times	1.46	3.83
Debt-equity ratio	Times	0.73	0.37

*including ordinary shares and partially redeemable shares

ARTICLE-1 - DEFINITIONS

- I. In this Scheme of Arrangement (including the preamble hereto), unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:
- (a) **“Act”** means the Companies Act, 2017;
 - (b) **“CDC”** means Central Depository Company of Pakistan Limited;
 - (c) **“Calcium Carbide Project”** means business and undertaking (including designated liabilities) related to the Calcium Carbide manufacturing plant at Hattar Economic Zone, District Haripur;
 - (b) **“Commission”** means the Securities and Exchange Commission of Pakistan including its regional offices;
 - (e) **“Completion”** or **“Completion Date”** means the date falling within the **270** days period from the Sanction Date, during which all governmental regulatory agencies, land, revenue and utility bodies/departments and capital market entities shall be required to complete the processing of their respective NOCs, permissions, approvals, and transfers to complete the actions required under the Scheme and to comply with the orders of the honorable Lahore High Court thereby enabling the entities involved in this Scheme to effectuate and implement the Scheme and when the assets, liabilities, undertaking and the business of the transferor(s) shall stand transferred (as per Article – 3) to the Transferee(s), and when the shares & the securities of the companies involved in this Scheme are transferred/issued/swapped/cancelled as per Article-4;
 - (f) **“Court”** means the Lahore High Court, Lahore or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 283 of the Companies Act, 2017 in connection with this Scheme;
 - (g) **“Effective Date”** means 24:00 hours as on June 30, 2024 or such other date as may be approved by the Court on the request of the parties to this Scheme;
 - (h) **“GCIL”** means the GHANI CHEMICAL INDUSTRIES LIMITED, a public limited company formed under the Companies Ordinance, 1984;
 - (i) **“GPL”** means the GHANI PRODUCTS (PRIVATE) LIMITED, a private limited company formed under the Companies Ordinance, 1984;
 - (j) **“GCWL”** means the GHANI CHEMWORLD LIMITED, a public limited company formed under the Companies Act 2017;
 - (k) **“NCCPL”** means National Clearing Company of Pakistan Limited
 - (l) **“PSX”** means Pakistan Stock Exchange Limited;
 - (m) **“Partially Redeemable Shares”** means the shares of Rs. 100/- each (with par/nominal value divided into redeemable portion of Rs. 90/- per share and irredeemable portion of Rs. 10/- per share) to be issued by GCWL under the Scheme;
 - (n) **“Residual”** shall mean Business and Undertaking left in the GCIL after the transfer of Calcium Carbide Project to GCWL which primarily means industrial/medial gases plants in Lahore, Karachi and Hattar (including Head Office and Regional Offices);
 - (o) **“Rs.”** or **“PKR”** shall mean “Rupees”, being the legal tender money of Pakistan;
 - (p) **“Sanction Date”** shall have the same meaning ascribed thereto in Article 6, being the day on which the honorable Lahore High Court approves the Scheme and on which day the Scheme becomes operative;
 - (q) **“Scheme”** means this Scheme of Arrangement in its present form, with any modification thereof or addition hereto, as approved by the Court and/or the Securities and Exchange Commission of Pakistan and/or the general meeting of members of the respective companies;



- (r) “**SECP**” means the Securities and Exchange Commission of Pakistan;
 - (s) “**Securities Act**” means the Securities Act, 2015;
 - (t) “**Undertaking and Business – Calcium Carbide Project**” means the assets, undertaking, business, liabilities and incentives/approvals of the GHANI CHEMICAL INDUSTRIES LIMITED to be transferred to GHANI CHEMWORLD LIMITED as more particularly described in Schedule -1 hereto.
 - (u) “**Undertaking and Business - GPL**” means the assets, undertaking, business, liabilities of the GHANI PRODUCTS (PRIVATE) LIMITED to be transferred to GHANI CHEMICAL INDUSTRIES LIMITED as more particularly described in Schedule -2 hereto.
- II. The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

ARTICLE – 2 – EQUITY CAPITAL AND MANAGEMENT

I. GHANI CHEMICAL INDUSTRIES LIMITED

The authorized share capital of the Company is Rs. 8,500,000,000 divided into 800,000,000 of ordinary shares of Rs. 10/- each 50,000,000 Class B shares of Rs. 10/- each, out of which 500,187,971 ordinary shares are fully paid and issued as follows:

Ordinary Share Nos.	Issuance Against	Share Capital Rs.
53,525,000	Cash	535,250,000
100,000,000	Under Scheme of Arrangement	1,000,000,000
10,000,000	Cash - Right Issue	100,000,000
239,701,600	Bonus Issue	2,397,016,000
74,961,371	Under Scheme of Arrangement	749,613,710
22,000,000	Conversion of Class B Share	220,000,000
500,187,971	Total	5,001,879,710

(a) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

		No. of Shares	%holding
Ghani Global Holdings Limited	Holding Company	279,905,983	55.96
Ghani Products (Private) Limited	Associated Company	91,911,490	18.38
Directors and Chief Executive Officer		1,446,250	0.28
General Public/Others		126,924,248	25.38
	Total	500,187,971	100.00

(b) Total number of shareholders of GCIL as of the Effective Date is 6623.

(c) The Share Capital of the GCIL will not be changed for ordinary shares under the Scheme as described in Article-3. However, the pattern of shareholding can be changed till the Sanction Date.

(d) Complete list of shareholders is attached as Schedule – 3 (List of Shareholders);

(e) The Board of Directors of the Company (GCIL) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Masroor Ahmad Khan	Chairman / Non-Executive Director
2.	Mr. Hafiz Farooq Ahmad	Chief Executive / Executive Director
3.	Mr. Atique Ahmad Khan	Non-Executive Director
4.	Mr. Muhammad Hanif	Non-Executive Director
5.	Mrs. Rabia Atique	Non-Executive Female Director
6.	Mr. Hafiz Imran Lateef	Independent Director
7.	Mr. Sheikh Muhammad Saleem Ahsan	Independent Director

II. GHANI PRODUCTS (PRIVATE) LIMITED

The authorized share capital of the Company is Rs. 50,000,000 divided into 5,000,000 of ordinary shares of Rs. 10/- each, out of which 30,000 ordinary shares are fully paid and issued

(a) The pattern of shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

1.	Mr. Masroor Ahmad Khan	-	5,000
2.	Mr. Atique Ahmad Khan	-	5,000
3.	Hafiz Farooq Ahmad	-	5,000
4.	Mrs. Ayesha Masroor	-	5,000
5.	Mrs. Rabia Atique	-	5,000
6.	Mrs. Saira Farooq	-	5,000

(b) Total number of shareholders of GPL, as of the Effective Date is 06.

(c) The Share Capital of the GPL will not be changed for the ordinary Shares under the Scheme as described in Article-3 (IV). However, the pattern of shareholding can be changed till the Sanction Date.

(d) The Board of Directors of the Company (**GPL**) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Masroor Ahmad Khan	Chairman
2.	Mr. Atique Ahmad Khan	Chief Executive Officer
3.	Mr. Hafiz Farooq Ahmad	Director
4.	Mrs. Ayesha Masroor	Director
5.	Mrs. Rabia Atiaue	Director
6.	Mrs. Saira Farooq	Director

III. GHANI CHEMWORLD LIMITED

The authorized capital of the Company is Rs. 1,000,000/- (Rupees One Million only) divided into 100,000 ordinary shares of Rs. 10/- each out of which 50,000 ordinary shares are fully paid and issued.

(a) Pattern of Shareholding of the Shares held by the Shareholders is as follows:

		No. of Shares	%holding
Ghani Chemical Industries Limited	Holding Company	49,993	99.99%
*Directors and Chief Executive Officer		7	0.01%
Total		50,000	100.00%

* Nominees of GCIL

- (b) Total number of shareholders of GCIL as of the Effective Date is 8.
- (c) The Share Capital of the GCWL will not be changed for ordinary shares under the Scheme as described in Article-3. However, the pattern of shareholding can be changed till the Sanction Date.
- (d) Complete list of shareholders is attached as Schedule – 3 (List of Shareholders);
- (e) The Board of Directors of the Company (GCWL) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Masroor Ahmad Khan	Chairman / Non-Executive Director
2.	Mr. Atique Ahmad Khan	Chief Executive / Executive Director
3.	Hafiz Farooq Ahmad	Non-Executive Director
4.	Mrs. Rabia Atique	Non-Executive Female Director
5.	Mrs. Saira Farooq	Non-Executive Female Director
6.	Mr. Abdullah Ahmed	Non-Executive Director
7.	Mr. Umar Ahmad	Non-Executive Director

IV. IMPACT OF THE SCHEME

Share capital before the Scheme is as follows:

		GCIL	GPL	GCWL
Ordinary shares Outstanding	Nos.	500,187,971	30,000	50,000
Authorized share capital				
Ordinary Shares	Nos.	800,000,000	5,000,000	100,000
Class B Shares	Nos.	50,000,000		
Partially Redeemable Shares	Nos.			-
Par/nominal value				
Ordinary Shares	Rs./share	10.00	10.00	10.00
Class B Shares	Rs./share	10.00		
Partially Redeemable Shares	Rs./share			100.00
Authorized share capital				
Ordinary Shares	Rs. 000	8,000,000	50,000	1,000
Class B Shares	Rs. 000	500,000	-	-
Partially Redeemable Shares	Rs. 000	-	-	-
Total authorized capital	Rs. 000	8,500,000	50,000	1,000

Share Capital after sanctioning the Scheme shall be as follows:

Revised Authorized Share Capital

		GCIL	GCWL
Ordinary Shares	Nos.	600,000,000	100,000
Class B Shares	Nos.	-	-
Partially Redeemable Shares	Nos.	-	25,500,000
Ordinary Shares	Rs. 000	6,000,000	1,000
Class B Shares	Rs. 000	-	-
Partially Redeemable Shares	Rs. 000	-	2,550,000
		<u>6,000,000</u>	<u>2,551,000</u>

Issued Capital after Demerger/Merger

Ordinary Shares	Nos.	570,451,931	50,000
Partially Redeemable Shares	Nos.	-	25,009,395
Ordinary Shares	Rs. 000	5,704,519	500
Partially Redeemable Shares	Rs. 000	-	2,500,940

- v. Shares of GCIL held by GPL shall be distributed to the shareholders of GPL and upon the completion of merger / amalgamation through the intended Scheme, the GPL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of GCIL to the registered members/shareholders of GPL.
- vi. Partially Redeemable Shares of GCWL shall be listed on main board of PSX.
- vii. Requisite changes in Memorandum and Articles of Association of GCWL shall be made on or before issuance of shares under the Scheme to accommodate the issuance of partially redeemable shares and extended activities resultant due to demerger of Calcium Carbide Project.
- viii. Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made before listing of GCWL at PSX.
- xi. Authorized capital of Class B shares of GCIL shall be merged into ordinary shares of GCIL and corresponding changes in the Memorandum and Articles of Association of GCIL shall be made on or before issuance of shares under the Scheme.
- x. Board of Directors of GCIL and GCWL shall continue to function after the aforementioned demerger. However, requisites changes in the Board of Directors of GCWL shall be made (as aforementioned) according to Code of Corporate Governance.

ARTICLE – 3 – THE SCHEME OF ARRANGEMENT

GENERAL

- i. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 283 of the Act, for the transfer and vesting of:
 - a. Undertaking and Business – Calcium Carbide Project of GCIL (as a transferor) into GCWL (as a transferee) as given in Schedule – 1 against the issue of Partially Redeemable Shares of GCWL.
 - b. Partially Redeemable Shares of GCWL shall be listed on PSX.
- ii. All assets, liabilities and undertaking (as per Schedule 1) of Calcium Carbide Project will be transferred to GCWL with same rights, obligations, privileges and covenants.
- iii. The Partially Redeemable Shares of GCWL shall be issued to the shareholders of GCIL.
- iv. Retained earnings, revenue reserves, capital reserves and merger reserves of GCIL and GCWL shall be re-characterized/reconstructed under the Scheme as described in Schedule-4 - Statement of Financial Position showing the Scheme Effect.
- v. After the demerger and after issuance of partially redeemable shares of GCWL to the shareholders of GCIL, the Memorandum and Articles of GCWL shall be changed/amended to incorporate the business/principal line of business of the merged business (Calcium Carbide Project) as described in the Objectives of the Scheme, by remaining within the time constraints allowed under the Completion Date and the obligation of compliance with the sanction order of the honorable Lahore High Court for the completion of this Scheme.
- vi. Shares of GCIL (additional shares) shall be issued to GCWL under the Scheme.
- vii. Shares of GCIL held by GPL shall be distributed to the shareholders of GPL. Net assets (Undertaking and Business – GPL as defined in the Schedule-2) shall be transferred to GCIL against shares (additional shares) of GCIL to be issued to the shareholders of GPL.
- viii. Upon the completion of merger / amalgamation through the intended Scheme, GPL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of GCIL shall be issued to the registered members/shareholders of GPL as above mentioned.

TRANSFER OF THE UNDERTAKING AND BUSINESS (CALCIUM CARBIDE PROJECT) FROM GCIL TO GCWL

Part 1 – Demerger of Ghani Chemical Industries Limited by Transferring Business and Undertaking related to Calcium Carbide Project to Ghani ChemWorld Limited

- ix. The Undertaking and Business of Calcium Carbide Project in GCIL shall be transferred and vested in GCWL in the following manner:
- a. The designated immovable (including land freehold and leasehold with all equitable and legal rights (including but not limited to land allotted by Khyber Pakhtunkhwa Economic Zones Development & Management Company as mentioned in the letter no. KPEZDMC/HSEZC/029/23-B dated September 06, 2023), building, usufruct with all equitable and legal rights) and movable assets, liabilities, revaluations reserves, and any capital/merger/revenue reserves, described in Schedule – 1 (The Undertaking and Net Assets (for Calcium Carbide Project) of Ghani Chemical Industries Limited to be transferred with and into Ghani ChemWorld Limited), shall stand transferred/vested to GCWL from GCIL. Generally, these net assets include land, building, equipment, vehicles, investments, property, cash and bank balances, revaluation reserves and related/designated liabilities. Designated immovable/ moveable assets, liabilities (related to Calcium Carbide Projects) will be decided by the Board of Directors of GCIL that have to be transferred to GCWL under the Scheme.
 - b. Main purpose of the formation GCWL is to transfer Calcium Carbide Project from GCIL to GCWL. Incorporation date of GCWL is July 31, 2024 so this Company is in existence at the time of transfer of Calcium Carbide Project from GCIL after Sanction Date (but on or before Completion Date). However, the Undertaking and Net Assets (for Calcium Carbide Project) of Ghani Chemical Industries Limited to be transferred to GCWL from GCIL will be effective from Effective Date. Thus, question of existence of GCWL at the time of effective date shall not be questioned or arisen.
 - c. The Undertaking of Calcium Carbide Project, including land, building, machinery, equipment, vehicles, infrastructure, materials, parts, accessories, work in progress, receivables, security deposits and usufruct with all equitable and legal rights, approvals, incentives, concessions, layout plans, drawings, letter of credits, as existing on the Effective Date shall, without any further act, instrument or deed, shall stand transferred/vested to and be vested or deemed to have been transferred to or vested in GCWL on the Effective Date.
 - d. Notwithstanding anything contained in the Stamp Act, 1899 (II of 1899) or any other law for the time being in force, no stamp duty shall be payable on transfer to the Transferee company (i.e. GCWL) of the whole or any part of the undertaking and of the property of the Transferor Company (i.e. GCIL) as a result of sanctioning of the Scheme by the honorable Court.
 - e. The transfer / vesting shall be subject to the existing rights (equitable and legal rights), charges mortgages and hypothecation, if any.
 - f. All concessions, approvals, status of economic zone enterprise, tax rebates, incentives, tax holidays accredited/given to GCIL due to its location in Hattar Special Economic Zone or otherwise shall also be accredited/given to GCWL (along with and without effecting GCIL) by the relevant authorities.
 - g. Such assets of GCIL (related to the Calcium Carbide Project), which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, shall be so transferred and shall become the property of GCWL as its integral part. All governmental authorities, bodies, departments and concerned institutions/companies, wherever required, shall transfer the assets without any cost, taxes, and without any further act or deed by the GCWL.

- h. All utility licenses/approvals, connections, meters, and other facilities for electricity, gas, water, telecommunications and other concessions allowed, licensed or provided by any governmental agency (including Water and Power Development Authority, Water and Sanitation Agency, Sui Northern Gas Pipelines Limited, Sui Southern Gas Limited) or any other agency will stand transferred without any additional charges/costs to the GCWL from the GCIL with the respective benefits including the deposits and prepayments, governmental approvals etc., (if any). The security deposits and any other cost paid by GCIL against any of these and other existing facilities shall remain unchanged and the change of name shall take place without any additional fee, charges or costs whatsoever and without any delay. This transfer will not affect the concessions allowed, tax holidays availed, licensees given or provided to GCIL for its industrial/medical gases segment (as a residual).
- i. All the registrations, rights, powers, licenses, permits, approvals, sanctions, permissions, privileges allowed to GCIL (for Calcium Carbide Project) shall stand transferred to GCWL and the lease rights (short term and long term), equitable rights, legal rights given by GCIL to the third parties shall also be transferred (with all rights and obligations) from GCIL to GCWL.
- j. Any existing land and building of GCIL related to the Calcium carbide Project (if acquired or held before the Sanction Date), shall be transferred to GCWL under this Scheme.
- k. Undertaking and Business – Calcium Carbide Project (Schedule-1) shall also be transferred/vested to GCWL. If required, requisite changes in the Memorandum of Association of GCWL shall be allowed and be made to accommodate additional/ extended operations of Calcium Carbide Project.
- l. Partially Redeemable Shares of GCWL shall be listed on PSX.
- m. Ordinary shares (additional shares) of GCIL shall be issued to GCWL as defined in Article – 4 of the Scheme.

CONDUCT OF BUSINESS BY GCIL TILL THE COMPLETION DATE

- x. Till the Sanction Date, GCIL shall not sell, transfer or dispose of any of its Undertaking and Business (Calcium Carbide Project).
 - (i) The amalgamation / merger in accordance with this Scheme shall be treated as having taken effect from the Effective Date and as from that time and until the Completion Date when GCIL's undertaking and Business (for Calcium Carbide Project) is transferred to and vested in GCWL.
 - (ii) GCIL shall carry on and be deemed to carry on all its business and activities (related to the Calcium Carbide Project), if any, and shall stand possessed of its properties and assets, if any, for and on account of and in trust for GCWL and all the profits accruing to GCIL (from Calcium Carbide Project) or losses arising or incurred by them, if any, shall for all purposes be treated as the profits or losses, if any, of GCWL.
 - (iii) It is hereby undertaken by GCIL that it will carry on its business with reasonable diligence and business prudence, until the Sanction Date and it shall not alienate, charge, mortgage, hypothecate, encumber or otherwise deal with or dispose of the respective Undertakings and Business or any part thereof except, in the ordinary course of business, or without the prior written consent of the Board of Directors of GCWL.

TRANSFER OF THE UNDERTAKING AND BUSINESS FROM GPL TO GCIL

Part 2 – Merger of Ghani Products (Private) Limited with and into Ghani Chemical Industries Limited

- xi. The Undertaking and Business of GPL (Schedule – 2) shall be transferred and vested in GCIL in the following manner:
- Shares of GCIL held by GPL (as an investment) shall be distributed (according to the shareholding) to the shareholders of GPL;
 - Designated assets and liabilities (as defined in Schedule – 2) shall be transferred to GCIL;
 - Such assets of GPL, which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, shall be so transferred and shall become the property of GCIL as its integral part. All governmental authorities, bodies, departments and concerned institutions/companies, wherever required, shall transfer the assets without any cost, taxes, and without any further act or deed by the GPL or GCIL or by the shareholders of GPL.
 - Till the Sanction Date, GPL shall not sell, transfer or dispose of any of its Undertaking and Business.
 - GPL shall carry on and be deemed to carry on all its business and activities, if any, and shall stand possessed of its properties and assets, if any, for and on account of and in trust for GCIL and all the profits accruing to GPL or losses arising or incurred by them, if any, shall for all purposes be treated as the profits or losses, if any, of GCIL.
 - Upon the completion of merger / amalgamation through the intended Scheme, GPL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of GCIL shall be issued to the registered members/shareholders of GPL.

DETERMINATION OF THE UNDERTAKING AND BUSINESS

- xii. A balance sheet:
- has been prepared by GCIL (appended herewith as Schedule 6) of the Undertaking and Business (bifurcating the Calcium Carbide Project and Residual i.e. industrial and medical gases), including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of GCIL, as reflected in the books of account of GCIL immediately preceding the Effective Date and report of agreed upon procedures from the Auditors has been taken on the books of accounts. Since GCIL is listed Company, its accounts are publicly available and have already been disseminated to the shareholders through Pakistan Stock Exchange Limited;
 - shall be prepared by GCIL of the Undertaking and Business (bifurcating the Calcium Carbide Project and Residual i.e. industrial and medical gases), including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of GCIL, as reflected in the books of account of GCIL as of the Sanction Date and which shall be audited by the Auditors of GCIL, within ninety (90) days of the Sanction Date;
 - has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include the notes setting out the methodology and assumptions used in identifying the Undertaking and Business of GCIL.
- xiii. A balance sheet:
- has been prepared by GPL (appended herewith as Schedule 6) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of GPL, as reflected in the books of account of GPL immediately preceding the Effective Date and which has been audited by the Auditors of GPL;

- (ii) shall be prepared by GPL of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of GPL, as reflected in the books of account of GPL as of the Sanction Date and which shall be audited by the Auditors of GPL, within ninety (90) days of the Sanction Date;
- (iii) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out the methodology and assumptions used in identifying the Undertaking and Business of GPL.

xiv. A balance sheet:

- (i) has been prepared by GCWL (appended herewith as Schedule 6 - Certificate of Receipt of Subscription Money) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of GCWL, as reflected in the books of account of GCWL immediately preceding the Incorporation date;
- (ii) shall be prepared by GCWL of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of GCWL, as reflected in the books of account of GCWL as of the Sanction Date and which shall be audited by the Auditors of GCWL, within ninety (90) days of the Sanction Date;
- (iii) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out the methodology and assumptions used in identifying the Undertaking and Business of GCWL.

- xv. The Statement of Financial Position showing the Scheme Effect shall be prepared by the Board of Directors based on the audited financial statement as on Sanction Date that will show the assets, liabilities, reserves that shall be transferred on the Sanction Date (from GCIL to GCWL and from GPL to GCIL) and this Statement will be certified by the practicing Chartered Accountant.
- xvi. Board of Directors of GCIL has the power to determine the assets, liabilities, reserves (related to Calcium Carbide Project) to transferred to GCWL on the Sanction Date. However, this will take effect from the effective date as described in the Scheme. Difference, if any, will be adjusted in the merger/demerger reserves or goodwill arising on merger/demerger, as the case may be.

ARTICLE – 4 – ORDINARY SHARES & PARTIALLY REDEEMABLE SHARES

Part 1 – Demerger of Ghani Chemical Industries Limited by Transferring Business and Undertaking related to Calcium Carbide Project to Ghani ChemWorld Limited

CONSIDERATION

i. Upon the Scheme being effective in terms of the order of the honorable Lahore High Court, shares (partially redeemable shares) shall be issued at par value subject to the terms of this Scheme and without any further application, deed or instrument as a consideration for the transfer to and vesting of the Undertaking and Business of GHANI CHEMICAL INDUSTRIES LIMITED (CALCIUM CARBIDE PROJECT) in the GHANI CHEMWORLD LIMITED as defined in the Scheme.

ii. The Shares issuance shall be as under:

Net Assets to be Transferred	Rs. 000	2,501,184
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Represented by

Merger reserve	Rs. 000	244
Share capital	Rs. 000	2,500,940

Ordinary shares of GCIL Outstanding	Nos.	500,187,971
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Partially Redeemable Shares	Nos.	25,009,395
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SWAP Ratio	per 1000	50.00
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i.e. 50 of partially redeemable shares of GCWL against every 1,000 ordinary shares of GCIL

iii. Shareholding structure of GCWL after the issuance of shares shall be as follows:

Ghani ChemWorld Limited		
Ordinary Shares	Nos.	50,000
Partially Redeemable Shares	Nos.	25,009,395
	Ordinary Shares	Partially Redeemable Shares
Ghani Chemical Industries Limited	49,993	-
Ghani Global Holdings Limited		13,987,915
Directors, Chief Executive Officer and their Spouse(s) and Children	7	4,678,615
General Public/Others		6,342,865
Total	50,000	25,009,395

iv. Article 19A shall be inserted in the Articles of Association of **GCWL** with the following Terms and conditions:

19A **Partially Redeemable Share – Terms and Conditions**

i. Name of Security		Ghani ChemWorld Limited – Partially Redeemable Share	
ii.	Security Type and relevant Regularity Provisions		Partially Redeemable Share 1. Section 58 of the Companies Act, 2017 2. the Companies (Further Issue of Shares) Regulations, 2020 3. Section 87(4)(d)(i) of the Securities Act, 2015 4. Section 83 of the Companies Act, 2017 5. All other enabling provisions under the Securities Act, 2015, the Companies Act, 2017 and other laws, rules and regulations
iii.	Participation in Surplus Assets in case of Liquidation		No participation unless converted into ordinary shares on occurrence of triggering event. On conversion, new ordinary shares issued (on conversion as per conversion ratio) shall rank pari-passu to the existing ordinary shares
iv.	Dividend Rate	Rs. / share	As to be decided by the Board of Directors from time to time Interim dividend can also be paid, if declared by the Board of Directors
v.	Redemption		Partially Redeemable up to Redeemable Portion i.e. Rs. 90.00 per share
vi.	Redemption Rate	Rs. / share	As to be decided by the Board of Directors from time to time. It will only be value redemption out of par/nominal value. Number of shares will not be redeemed.
vii.	Conversion into Ordinary Shares of the Company		Conversion into Ordinary Shares of the Company on occurrence of triggering events
viii.	Conversion Rate		One Partially Redeemable Share into 1.00 Ordinary Share irrespective of the outstanding par/ nominal value
ix.	Call Option in Cash to the Company		Not Applicable
x.	Put Option in Cash to the holders of Partially Redeemable Share /		Not Applicable
xi.	Par/ nominal Value	Rs. / share	Rs. 100.00 - par/ nominal value is further divided into two parts : Redeemable Portion : Rs. 90.00 per share and Irredeemable Portion: Rs. 10.00 per share
xii.	Par/ nominal value for the subsequent Issues	Rs. / share	Par value of the subsequent issue shall be the outstanding par/nominal value per share (i.e. Rs. 100.00 less cumulative value redeemed per share). However, if issuance to be made for par / nominal value other than outstanding par/ nominal value, difference has to be transferred from unappropriated profits or any other reserves including share premium
xiii.	Issuance by way of		Right Issue to the Existing Shareholders. Letter of offer shall be tradeable in line with mechanics specified by the PSX. Moreover, issuance can be made under the Scheme of Amalgamation, Compromised and/or Arrangement (including Scheme of Merger/ Demerger), if approved by the shareholders and relevant competent authorities under Section 279 to 285 of the Companies Act, 2017 and all other enabling provision of laws, rules and regulations
xiv.	Tenor		Perpetual unless redeemed (for redemption portion) or converted into Ordinary Shares on triggering events
xv.	Instrument Rating		Optional if decided by the Board of Directors
xvi.	Cumulative / Non-Cumulative		Dividend is non-cumulative unless declared by the Board of Directors.
xvii.	Voting Rights		Voting rights of One Partially Redeemable Share is equivalent to 1.00 ordinary share(s) Rights, privileges and obligations is as applicable to the Ordinary Shareholders of the Company

xviii.	Profit Rate / Dividend		As decided by the Board of Directors without any priority to the existing Ordinary Shares of the Company
xix.	Subsequent Issuance		By way of Right or Other than Right (against cash or in-kind) or through the Scheme of Amalgamation, Compromises and/or Arrangement (including Scheme of Merger/ Demerger) or through Bonus Issue to the shareholders (ordinary shareholders and Partially Redeemable Shareholders)
xx.	Subsequent Issuance Price	Rs. / share	Share premium can be charged (over and above outstanding par/nominal value per share), If decided by the Board of Directors (including the Scheme of Amalgamation, Compromises and/or Arrangement (including Scheme of Merger/De-Merger)
xxi.	Any Other Right(s)		<ol style="list-style-type: none"> 1. Right to the Right Issue (in the form of Shares or Sukuk) 2. Right to Specie Dividend (in any form) 3. No Right to Dividend (declared and paid to the Ordinary Shareholders)
xxii.	Listing		To be listed on NTS (New Trading System) of PSX either on Main Board or GEM Board of the PSX If decided by the Board of Directors (including the Scheme of Amalgamation, Compromises and/or Arrangement (including Scheme of Merger/Demerger)
xxiii.	Shari'ah Compliance		Optional - If decided by the Board of Directors
xxiv.	Issue Size	Rs.	Up to the authorized capital of the Company (that may be increased from time to time) multiplied by the Issue Price (that may include Premium per share) as to be decided by the Board of Directors. No further approval from the shareholders of the Company is required, if issuance is made by way of right or through bonus or otherwise
xxv.	Issue Size	Nos.	Up to the authorized capital of the Company as to be decided by the Board of Directors
xxvi.	Ranking/Priority		Priority over any other form of shares but subordinate to any other secured loan (including loans secured by way of floating charge)
xxvii.	Triggering Event		<ol style="list-style-type: none"> 1 – if the winding up (either compulsory or voluntary) of the Issuer has occurred 2 – if a receiver or administrator (or equivalent person in any other jurisdiction) is appointed over any of the assets of any of the Issuer or part thereof 3 – if the Issuer is unable to pay its indebtedness as it falls due 4 - if par/nominal value per share is reduced to the irredeemable portion i.e. Rs. 10.00 per share 5 – If special resolution is passed by the shareholders (including Partially Redeemable Shareholders) in the general meeting to convert the Partially Redeemable Share into Ordinary Shares of the Company at the conversion rate

xxviii.	Appropriation from Unappropriated Profits	Compliance shall be made to the Section 82 of the Companies Act, 2017. Difference, if any, shall be appropriated from unappropriated profits/ capital reserves (including share premium) or any other reserves; Otherwise subsequent issuance (having different par value from outstanding par/nominal value) shall be treated as different class of share. Aforementioned transfer, if any, shall not be considered as "bonus issue" but as appropriation only
xxix.	Investment Agent	Not Applicable
xxx.	Meeting and Resolutions	Since voting rights are vested to the Partially Redeemable Shareholders, no separate meeting or resolution(s) are required. Partially Redeemable Shareholders can convene the general meeting and pass the resolutions as the shareholders under the relevant provisions of the Companies Act, 2017
xxxi.	Other Issuance	Partially Redeemable Share can also be issued to the Ordinary Shareholders by way of Bonus if declared by the Board of Directors of the Company
xxxii.	Issuance Power	Partially Redeemable Shares shall be under the control of the Board of Directors who may issue, allot, forfeit, surrender, rectify or otherwise dispose of the same to such persons (including existing shareholders), firms, corporation or corporations on such terms and conditions and at any such time as may be thought fit, subject to and in accordance with the provisions of the Companies Act 2017 and the Securities Act, 2015 and the Companies (Further Issue of Shares) Regulations, 2020.
xxxiii.	Listing of Ordinary Shares	if Partially Redeemable Share are converted into ordinary shares of the Company and (Partially Redeemable Share are listed at the time of conversion), ordinary shares of the Company shall be considered and be listed in the same status (GEM or Main Board of PSX , as the case may be)

- v. Partially Redeemable Shares of GCWL shall be listed on PSX.
- vi. Requisite changes in Memorandum and Articles of Association of GCWL shall be made on or before issuance of shares under the Scheme to accommodate the issuance of partially redeemable shares and extended activities resultant due to demerger of Calcium Carbide Project. No further approval from the shareholders is required to affect the changes in the Memorandum and Articles of Association of GCWL.
- vii. 70 million ordinary shares of GCIL (as an additional capital) shall be issued to GCWL.
- viii. Clause 5 of the Memorandum of Association of GCWL after the Sanction date shall be substituted/alters with the following Clause;
- “The authorized capital of the Company is Rs. 2,551,000,000 /- (Rupees Two Thousand Five Hundred Fifty One Million only) divided into 100,000 ordinary shares of Rs. 10/- each and 25,500,000 partially redeemable shares of Rs. 100/- each (with par/nominal value divided into redeemable portion of Rs. 90/- per share and irredeemable portion of Rs. 10/- per share).”
- ix. Clause 5 of the Memorandum of Association of GCIL after the Sanction date shall be substituted/alters with the following Clause;
- “The authorized capital of the Company is Rs. 6,000,000,000 /- (Rupees Six Thousand Million only) divided into 600,000,000 ordinary shares of Rs. 10/- each.”

x. Article 19B of the Articles of Association of GCIL is hereby deleted.

Part 2 – Merger of Ghani Products (Private) Limited with and into Ghani Chemical Industries Limited

xi. Shares of GCIL held by GPL shall be distributed to the shareholders of GPL.

Shares of GCIL held by GPL to be distributed to the Shareholders of GPL	Nos.	91,911,490
Investments	Rs. 000	414,607
Loan from sponsors	Rs. 000	(354,847)
Unappropriated profit	Rs. 000	(62,099)
Net Assets Transferred to GCIL	Rs. 000	2,639
- Advance income tax	Rs. 000	752
- Cash and bank balances	Rs. 000	2,312
- Taxation	Rs. 000	(90)
- Trade and other payables	Rs. 000	(335)

Shares of GPL to be cancelled	Rs. 000	300
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xii. Net assets (as per Schedule-2) shall be transferred to GCIL against shares as follows:

No. of Additional Shares of GCIL to be issued to the shareholders of GPL i.e. 8.80 shares of GCIL against One share of GPL under SWAP ratio	Nos.	263,960
Net Assets Transferred to GCIL	Rs. 000	2,640
Ordinary shares of GPL to be cancelled	Nos.	30,000

xiii. Shares issuance by GCIL shall be as under:

Ordinary Shares of the Company before Impact of the Scheme	Nos.	500,187,971
Additional ordinary shares to be Issued to the shareholders of GPL	Nos.	263,960
Additional ordinary shares to be Issued to GCWL	Nos.	70,000,000
Ordinary Shares of the Company after Impact of the Scheme	Nos.	570,451,931

xiv. Impact on Pattern of Shareholding before and after the Scheme is as follows:

Pattern of Shareholding	Initial Position Before Scheme			After Distribution*	After Additional Capital	After Demerger	
	GCIL	GPL	GCWL	GCIL	GCIL	GCWL	
	Ordinary Shares						Partially Redeemable Shares
Ghani Products (Private) Limited	91,911,490			-	-	-	
Ghani Chemical Industries Limited			49,993	-	-	-	
Ghani Global Holdings Limited	279,905,983			279,905,983	279,905,983	13,987,915	
Ghani ChemWorld Limited				-	70,000,000	-	
Directors, Chief Executive Officer and their Spouse(s) and Children	1,446,250	30,000	7	93,621,700	93,621,700	4,678,615	
General Public/Others	126,924,248			126,924,248	126,924,248	6,342,865	
	500,187,971	30,000	50,000	500,451,931	570,451,931	25,009,395	

* Distribution of shares of GCIL to the shareholders of GPL (on prorata basis) and issuance of additional shares of GCIL to the shareholders of GPL.

ISSUANCE/TRANSFER/CANCELLATION OF SHARES

- xv. Once Scheme is sanctioned by the honorable Lahore High Court, Board of Directors of GPL shall determine the entitlement and book closure dates for the entitlement of following:
- Distribution of shares of GCIL held by GPL to the shareholders of GPL;
 - Issuance of additional shares of GCIL to the shareholders of GPL;
 - Once this distribution/issuance is made, the existing shares of GPL shall stand cancelled and upon the completion of merger / amalgamation through the intended Scheme, the GPL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of GCIL to the registered members/shareholders of GPL.
- xvi. Once the shares of GCIL are distributed to the shareholders of GPL, Board of Directors of GCIL shall determine the entitlement date and book closure dates for the issuance of partially redeemable shares of GCWL to the shareholders of GCIL. A notice of up to fourteen (14) days' shall be given to the members of GCIL of the date fixed by the directors of GCIL, for determining the entitlements to partially redeemable shares of GCWL to be issued to the members of GCIL. As the share certificates of GCIL are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares (partially redeemable shares) of GCWL shall be directly credited by book entries in the CDS in addition to the scrip-less share certificates of GCIL to their respective Investors' accounts or sub-accounts with CDC participants within thirty (30) days from the reopening of Book Closure as announced for the determination of the merger entitlements.
- xvii. GCIL shall issue additional ordinary shares (70,000,000) to GCWL in scrip-less form.
- xviii. Upon the allotment of the Ordinary shares of GCIL to the members of GPL in the manner aforesaid, all share certificates representing the ordinary shares of GPL shall stand cancelled.
- xix. While making physical allotment of the new shares, the fractional allotments above 0.5 shares shall be rounded up to one share and any fraction below 0.5 shall be ignored. However, for shares in CDS fractional shares shall be ignored.
- xx. Shares will be issued by GCWL to the members of GCIL under the SWAP ratio. The working of the merger adjustment and the Balance Sheet of GCWL, to emerge immediately after the merger is attached herewith in Schedule-4 and Schedule-7. The merger reserves or goodwill arising of merger, as the case may be, shall be recognized in the books of GCWL. Merger reserves, if any, shall be treated as capital reserves for all purposes.
- xxi. The distribution of shares and the merger effect are shown in Schedule – 4. The same methodology shall be followed after the Sanction Date.

ARTICLE – 5 – RIGHTS AND OBLIGATIONS

RIGHTS AND OBLIGATIONS OF GCIL AND GCWL IN RESPECT OF THE UNDERTAKING AND BUSINESS

- i. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against GCIL in respect of the Undertaking and Business related to Calcium Carbide Project (as defined in Schedule 1) and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against GCIL, and may be continued, prosecuted and enforced by or against GCWL accordingly.
- ii. If Board of Directors of GCIL decides on Sanction Date, all taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the Undertaking and Business (Calcium Carbide Project) shall, shall be deemed to, be to the benefit and credit of GCIL and shall be transferred to GCWL.
- iii. The capital reserves, revenue reserves, merger reserves, revaluation surpluses and accumulated profits and losses of GCIL (as described in Schedule 4) , as at the day preceding the Effective Date and immediately preceding the Sanction Date respectively, as audited by the Auditors relating to the Undertaking and Business, shall constitute and be treated as reserves and revaluation surpluses of a corresponding nature in GCWL (as defined and mentioned in Schedule 4), and shall be accounted on that basis in the books of accounts of GCWL.

GENERAL

- iv. The authorized share capital of GCWL, GCIL and GPL shall be reconstituted.
- v. Requisite changes in the Memorandum and Articles of Association of GCIL and GCWL shall be allowed for the requisite authorized capital (including merged share capital and additional share capital).
- vi. The authorized capital after the Sanction Date shall be as follows:

		GCIL	GCWL
Ordinary Shares	Nos.	600,000,000	100,000
Class B Shares	Nos.	-	-
Partially Redeemable Shares	Nos.	-	25,500,000
Ordinary Shares	Rs. 000	6,000,000	1,000
Class B Shares	Rs. 000	-	-
Partially Redeemable Shares	Rs. 000	-	2,550,000
		6,000,000	2,551,000
Issued Capital after Demerger			
Ordinary Shares	Nos.	570,451,931	50,000
Partially Redeemable Shares	Nos.	-	25,009,395
Ordinary Shares	Rs. 000	5,704,519	500
Partially Redeemable Shares	Rs. 000	-	2,500,940



Comparative Summary of Authorized and Issued Capital: Authorized Capital

Company	Type of Share	Par Value Rs./share	Authorized Capital in Rs. 000	
			Before Scheme	After Scheme
GPL	Ordinary Shares	10.00	50,000	To be Dissolved
GCIL	Ordinary Shares	10.00	8,000,000	6,000,000
GCIL	Class B Shares	10.00	500,000	-
GCWL	Ordinary Shares	10.00	1,000	1,000
GCWL	Partially Redeemable Shares	100.00	-	2,550,000
Total			8,551,000	8,551,000

Issued Capital

Company	Type of Share	Par/Nominal Value Rs./share	Issued Capital in Rs. 000	
			Before Scheme	After Scheme
GPL	Ordinary Shares	10.00	300	To be Cancelled
GCIL	Ordinary Shares	10.00	5,001,879	5,704,519
GCIL	Class B Shares	10.00	-	-
GCWL	Ordinary Shares	10.00	500	500
GCWL	Partially Redeemable Shares	100.00	-	2,500,940
Total			5,002,679	8,205,959

- vii. Ghani Products (Private) Limited will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.
- viii. The merged authorized capital may also be increased (by GCWL and/or GCIL) further, if so required, with the approval of the shareholders by passing a special resolution in the general meeting, in accordance with the requirements of the Companies Act, 2017.
- ix. The assets acquired by the transferee (GCWL) shall be treated as having the same character as the same had in the hands of the transferor (GCIL).
- x. The assets acquired by the transferee (GCIL) shall be treated as having the same character as the same had in the hands of the transferor (GPL).
- xi. The assets acquired by the shareholders of GPL shall be treated as having the same character as the same had in the hands of the transferor (GPL).

TRANSFER OF STAFF AND EMPLOYEES

- xii. Every officer, staff or other employees of GCIL (Calcium Carbide Project), as existing on the Effective Date, shall become the officers, staff or employees, as the case may be, of GCWL (as mentioned in Schedule 5) on the basis that their services have not been interrupted by the transfer and vesting of the Undertaking and Business of GCIL into GWCL, under this Scheme and on the same remuneration and other conditions of service, rights, privileges as to the provident fund, gratuity, any other retirement funds, if any, and other matters as had been applicable to them, before the effective date.
- xiii. Every officer, staff or other employees of GPL, as existing on the Effective Date, shall become the officers, staff or employees, as the case may be, of GCIL (as mentioned in Schedule 5) on the basis that their services have not been interrupted by the transfer and vesting of the Undertaking and Business of GPL into GCIL, under this Scheme and on the same remuneration and other conditions of service, rights, privileges as to the provident fund, gratuity, any other retirement funds, if any, and other matters as had been applicable to them, before the effective date.

ARTICLE – 6 – GENERAL PROVISIONS

SANCTION AND EFFECTIVENESS OF SCHEME

i. Sanctions and Provisions of the Scheme:

- (i) This Scheme has been formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act and for an order under Section 282 (along with Section 283) of the Act for bringing the Scheme into effect.
- (ii) This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with or without any modification thereof or addition thereto as the Court may approve and this Scheme shall become effective, with such modification or addition, if any, also subject to any conditions, which the Court may impose.
- (iii) The respective Boards of Directors of GCIL, GPL and GCWL have approved the foregoing Scheme for the submission of the same to the Court. The respective Board of Directors of GCIL, GPL and GCWL, have also authorized, consented to, either singly or jointly on behalf of all concerned, to any modifications or additions or alterations to this Scheme or to any conditions, which the Court may think fit to impose and may give any directions, as the honorable Court may consider necessary to settle any question(s) or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith.
- (iv) The provisions of this Scheme shall become binding and operative on the date (the "Sanction Date") that a certified copy of the order of the Court, sanctioning this Scheme under Section 279 of the Act, and by making any necessary provisions under Section 282 of the Act.
- (v) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the demerger of GCIL, and transfer to and vesting in GCWL, of the Undertaking and Business shall be deemed to have taken place on the "Effective Date" and shall be treated accordingly, as per the provisions of this Scheme.
- (vi) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the merger of GPL, and transfer to and vesting in GCIL, of the Undertaking and Business shall be deemed to have taken place on the "Effective Date" and shall be treated accordingly, as per the provisions of this Scheme.
- (vii) Except as expressly otherwise stated herein, the Undertakings and the Business, following the Sanction Date, shall be recorded in the books of account of GCWL (as per Schedule 1) at the respective values appearing in the books of account of GCIL on the date preceding the Effective Date. For the Accounting purpose, transfer of balance from the books of transferor to the books of transferee shall serve the purpose. Moreover, for profit and loss items in the books of accounts, only effect has to be shown in the Statement of Changes in Equity and no corresponding changes need to be made in the Statement of Profit and Loss for the interim period between effective date and sanction dates.
- (viii) Except as expressly otherwise stated herein, the Undertakings and the Business, following the Sanction Date, shall be recorded in the books of account of GCIL (as per Schedule 2) at the respective values appearing in the books of account of GPL on the date preceding the Effective Date. For the Accounting purpose, transfer of balance from the books of transferor to the books of transferee shall serve the purpose. Moreover, for profit and loss items in the books of accounts, only effect has to be shown in the Statement of Changes in Equity and no corresponding changes need to be made in the Statement of Profit and Loss for the interim period between effective date and sanction dates.
- (ix) Each of GCIL, GPL and GCWL shall take all actions and execute all formalities considered and deemed necessary and expedient by their respective Boards of Directors to properly and smoothly cause the transfer and vesting of the respective Undertakings and Businesses in the manner stated herein, and shall carry out and execute this Scheme pursuant to and in accordance with the order of the Court.
- (x) Without prejudice to the generality of the foregoing, the respective Boards of Directors of GCIL, GPL and GCWL, may generally or with regard to any specific issue or matter related to the execution and implementation of the Scheme, upon its due approval by the Court, authorize any person(s) or officials to carry out such acts, deeds and things as may be deemed expedient and necessary, for a proper and smooth implementation of the Scheme from time to time.



- (xi) The Board of Directors of GCIL, GPL and GCWL have given their assent to any modification or amendment to the Scheme or to agree to any terms and/or conditions, which the Court and / or any other Authority, Body or Commission under the law, may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme and to do all acts, deed and things as may be necessary or desirable or expedient for putting the Scheme into effect.
- (xii) For the purposes of giving effect to the Scheme or any modification or amendment thereof, the directors of GCIL are hereby authorized by GCWL, GPL to give such directions and / or to take all such steps and actions as may be necessary or desirable including any direction for settling any question or doubt or difficulty, whatsoever that may arise from time to time.
- ii. As of the Sanction Date, the terms of this Scheme shall be binding on each of GCIL, GPL and GCWL and all their respective shareholders, members, employees, debtors and creditors and any person having any right or liability in relation to them.
- iii. All the costs, charges and expenses, incurred / to be incurred in relation to or in connection with the Scheme of Arrangement and of carrying out the implementation of the Scheme or incidental to the completion of the amalgamation/merger in pursuance of the Scheme, shall be borne and paid by GCIL.
- iv. There can be difference in tax year(s) between the Effective Date and the Sanction Date. Tax returns shall not be changed/revised for the effective dates for the entities involved (i.e. GCIL, GPL and GCWL). Moreover, tax position as on Sanction date shall be carried forward to the transferee i.e. from GPL to GCIL and GCIL to GWCL.
- v. No gain or loss shall be taken to arise on disposal of asset from transferor to transferee by virtue of the Scheme under Section 97A of the Income Tax Ordinance, 2001. No double taxation impact (in the form of withholding taxes or/and collecting taxes or/and assessment basis) shall be made/ levied on income, profits and revenues of the companies/entities involved by virtue of this Scheme. Net of tax balances shall be transferred.
- vi. This Scheme shall become null and void, subject to the following and in that event, no rights and liabilities shall accrue to or be incurred in terms of this Scheme:
 - (i) if the Scheme is not approved by the requisite majority of the shareholders and members of any of GCIL, GPL and GCWL.
 - (ii) if the sanction of the Court in respect of this Scheme is not obtained by such date (if any) as may be mutually agreed by the respective Board of Directors of GCIL, GPL and GCWL.
 - (vii) After the Sanction Date, the partially redeemable shares of GCWL shall be listed on the Pakistan Stock Exchange under the order of the Court without any further, act, deed, formality or fee, subject to the filing of such documentation as may be required by it, in accordance with applicable rules and regulations.
 - (viii) After the Sanction Date, GPL will be dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up.

LISTING MATTERS

- ix. Subsequent to the Sanction Date, GHANI CHEMWORLD LIMITED (through Partially Redeemable Shares) shall stand listed on Pakistan Stock Exchange Limited within such timeframe during which the shares reconstruction arrangement is completed, and the members of GCIL shall be allotted the partially redeemable shares by GCWL. Listing date of the shares (partially redeemable shares) shall be reckoned from listing date of ordinary shares of GCIL for the purpose of the Listed Companies (Buy-Back of Shares) Regulations, 2019 and any other purposes. Opening price (on main Board of PSX on first listing date) shall be the face/ nominal value of the Partially Redeemable Share and cost of acquisition of security (partial redeemable share) shall be the face value for the purpose of calculating capital gain tax by NCCPL (on subsequent disposal under Section 37A of the Income Tax Ordinance, 2001 and under relevant rules of the Income Tax Rules, 2002).

MISCELLANEOUS

- x. This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
- xi. GCL, GCWL and GPL are registered under the jurisdiction of Province of the Punjab and Calcium Carbide Project is situated under Hattar Special Economic Zone that comes under the jurisdiction of Province of Khyber Pakhtunkhwa Territory, thus this Scheme may be filed (if required) with any other competent Court for transfer of necessary concessions, rebates, exemptions and utilities, as the case may be. However, sanction order by the Lahore High Court will be submitted to that competent authority for evidence that necessary approvals from the shareholders, secured creditors and other approvals are duly taken and these approval will not be taken afresh.
- xii. The section or headings used in this Scheme, are solely for the convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
- xiii. The transfer, vesting and amalgamation of the Undertaking and Businesses in terms of this Scheme shall not: (i) constitute any assignment, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any contract; and (iv) give rise to any right of first refusal or pre-emptive right.
- xiv. This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve; and this Scheme is also subject to any such modification or addition or conditions, if any, which the Court may impose.
- xv. The SWAP ratio (as mentioned in this Scheme and having been duly approved by way of the special resolution) will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan. Any difference, if any, will be adjusted either in the goodwill or merger reserves, as the case may be. No further approval for any change having been ordered by the honorable Court or the SECP, shall be required from the shareholders of the Company.
- xv. The SWAP ratio (as mentioned in this Scheme and having been duly approved by way of the special resolution) will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan. Any difference, if any, will be adjusted either in the goodwill or merger reserves, as the case may be. No further approval for any change having been ordered by the honorable Court or the SECP, shall be required from the shareholders of the Company.
- xvi. The Board of Directors of GCIL shall have the power to rectify any rounding errors or typographical errors, calculation errors and other errors, if any in the Scheme and it will not affect the spirit and efficacy of the Scheme.
- xvii. In case of any ambiguity or conflict and actual transfer of assets, liabilities and reserves, Board of Directors of GCIL shall be the authority to decide and resolve the issue before and after the Sanction Date.
- xviii. Difference in Ordinary shares, partially redeemable shares (as the case may be) due to rounding shall be issued to any retirement fund of the GCIL.

SCHEDULE-I

The Undertaking and Net Assets (for Calcium Carbide Project) of Ghani Chemical Industries Limited to be transferred with and into Ghani ChemWorld Limited

Net Assets Transferred to GCWL by GCIL

	<u>Rs. 000</u>
Property, plant and equipment	1,917,437
Long term investments	1,028,774
Stores, spares and loose tools	18,814
Loans and advances	33,765
Deposits, prepayments and other receivables	124,865
Short term investments	100,000
Cash and bank balances	203,000
Redeemable capital-Sukuk	(800,000)
Trade and other payables	(87,400)
Accrued profit	(38,071)
	<u>2,501,184</u>
Represented by:	
Merger reserve/ (Goodwill)	244
Share capital	2,500,940
	<u>2,501,184</u>

Board of Directors of the GCIL shall have the power to determine the assets and liabilities (including reserves) at Sanction Date to be transferred to GCWL from GCIL (related to the Calcium Carbide Project) but effective from effective date.

SCHEDULE-2

The Undertaking and Net Assets of Ghani Products (Private) Limited to be Transferred with and into Ghani Chemical Industries Limited

Authorized share capital –ordinary shares of Rs.10 each	Nos.	5,000,000
Authorized share capital –ordinary shares of Rs.10 each	Rs.000	50,000
No. of Additional Shares of GCIL to be issued to the shareholders of GPL	Nos.	263,960
Net Assets Transferred to GCIL	Rs. 000	2,640
Shares of GPL to be cancelled	Nos.	30,000
No. of shares of GCIL held by GPL to be distributed to the shareholders of GPL	Nos.	91,911,490
Long term investments	Rs. 000	414,607
Loan from sponsors	Rs. 000	(354,847)
Unappropriated profit	Rs. 000	(62,099)
Net Assets Transferred to GCIL	Rs. 000	2,639
Advance income tax	Rs. 000	752
Cash and bank balances	Rs. 000	2,312
Taxation	Rs. 000	(90)
Trade and other payables	Rs. 000	(335)
Shares of GPL to be cancelled	Rs. 000	300

SCHEDULE-3

GHANI CHEMICAL INDUSTRIES LIMITED

LIST OF THE SHAREHOLDERS

As on September 30, 2024

Sr. No.	Name	No. of Shares Held
1	Masroor Ahmad Khan, Chairman Board of Directors	261,576
2.	Hafiz Farooq Ahmad, Chief Executive Office	284,678
3.	Atique Ahmad Khan, Director	261,576
4.	Hafiz Imran Lateef, Director	502
5.	Rabia Atique, Director	470
6.	Sheikh Muhammad Saleem Ahsan, Director	566,448
7.	Muhammad Hanif, Director	71,000
8	Ghani Global Holding Limited, Holding Company	279,905,983
9	Ghani Product (Pvt.) Limited, Associated Company	91,911,490
10	General Public/Others (6,524 shareholders)	126,924,248
	Total	500,187,971

GHANI CHEMWORLD LIMITED
LIST OF THE SHAREHOLDERS
 As on September 30, 2024

Sr. No.	Name	No. of Shares Held
1	Ghani Chemical Industries Limited, Holding Company	49,993
2	Masroor Ahmad Khan, Chairman Board of Directors	1
3	Atique Ahmad Khan, Chief Executive Officer	1
4	Hafiz Farooq Ahmad, Director	1
5	Rabia Atique, Director	1
6	Saira Farooq, Director	1
7	Abdullah Ahmed, Director	1
8	Umar Ahmad, Director	1
	Total	50,000

GHANI PRODUCTS (PRIVATE) LIMITED
LIST OF SHAREHOLDERS
As on September 30, 2024

Sr. No.	Name	No. of Shares Held
1	Masroor Ahmad Khan, Chairman Board of Directors	5,000
2	Atique Ahmad Khan, Chief Executive Officer	5,000
3	Hafiz Farooq Ahmad, Director	5,000
4	Ayesha Masroor, Director	5,000
5	Rabia Atique, Director	5,000
6	Saira Farooq, Director	5,000
	Total	30,000

SCHEDULE-5

Net Assets Transferred to GCWL by GCIL and by GPL to GCIL	Before Scheme		to GCWL		from GPL		After Scheme	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Property, plant and equipment	10,568,886	(1,917,437)	-	-	-	-	8,651,449	
Right of use assets	547,649	-	-	-	-	-	547,649	
Intangible assets	1,479	-	-	-	-	-	1,479	
Long term investments	20,075	-	-	-	-	-	20,075	
Long term deposits	66,616	-	-	-	-	-	66,616	
Stores, spares and loose tools	362,135	(18,814)	-	-	-	-	343,321	
Stock-in-trade	160,587	-	-	-	-	-	160,587	
Trade debts	2,142,223	-	-	-	-	-	2,142,223	
Loans and advances	1,336,248	(33,765)	-	-	-	-	1,302,483	
Deposits, prepayments and other receivables	590,358	(124,865)	-	-	-	-	465,493	
Tax refunds due from Government	93,841	-	-	-	-	-	93,841	
Prepaid tax levies	516	-	-	-	-	-	516	
Advance income tax	421,970	-	-	-	752	-	422,722	
Short term investments	100,000	(100,000)	-	-	-	-	-	
Cash and bank balances	468,054	(203,000)	-	-	2,312	-	267,366	
Loan from sponsors	-	-	-	-	-	-	-	
Long term finances	(1,640,536)	-	-	-	-	-	(1,640,536)	
Redeemable capital-Sukuk	(800,000)	800,000	-	-	-	-	-	
Redeemable Capital - Convertible Sukuk	-	-	-	-	-	-	-	
Long term security deposits	(70,136)	-	-	-	-	-	(70,136)	
Lease liabilities	(5,858)	-	-	-	-	-	(5,858)	
Deferred liabilities	(832,854)	-	-	-	-	-	(832,854)	
Trade and other payables	(313,738)	87,400	-	-	(335)	-	(226,673)	
Contract liabilities - advances from customers	(644,340)	-	-	-	-	-	(644,340)	
Accrued profit	(336,120)	38,071	-	-	-	-	(298,049)	
Unclaimed dividend	(491)	-	-	-	-	-	(491)	
Short term borrowings	(1,580,482)	-	-	-	-	-	(1,580,482)	
Current portion of non-current liabilities	(486,870)	-	-	-	-	-	(486,870)	
Provision for tax levies	(212,217)	-	-	-	-	-	(212,217)	
Taxation	(103,421)	-	-	-	(90)	-	(103,511)	
Represented by	9,853,574	(1,472,410)	-	-	2,640	-	8,383,804	
Share capital	(5,001,879)	(700,000)	-	-	(2,640)	-	(5,704,519)	
Share premium	(164,011)	164,011	-	-	-	-	-	
Revaluation surplus on freehold and leasehold land	(735,087)	735,087	-	-	-	-	-	
Merger reserve/ (Goodwill)	(1,342,746)	1,342,746	-	-	-	-	-	
Unappropriated profit	(2,609,851)	(69,434)	-	-	-	-	(2,679,285)	
	(9,853,574)	1,472,410	-	-	(2,640)	-	(8,383,804)	

SCHEDULE – 6
TRANSFER OF EMPLOYEES/STAFF FROM GCIL TO GCWL

Sr. No.	Name	Designation
1.	Najiba Yasmeen	Project Manager
2.	Qutub Usama	Scientist
3.	Hafiz Muhammad Kifayat	Assistant Manager
4.	Muhammad Fahad	Assistant Manager
5.	Muhammad Atif	Assistant Manager
6.	Muhammad Bakash	Furnace Foreman
7.	Muhammad Zahid	Senior Technician
8.	Mubashir Khan	Supervisor
9.	Ussam Idris	Admin Assistant
10.	Mehboob Wahid	Cashier
11.	Qamar uz Zaman	Purchaser
12.	Muhammad Sajjad	Electrician
13.	Muhammad Munir	Driver
14.	Yasir Ali	Driver
15.	Umair Ahmed	Helper
16.	Abdul Rauf	Helper
17.	Muhammad Arif	Helper
18.	Mujahid Hussain	Helper
19.	Kaleem Ullah	Helper
20.	Muhammad Amir	Helper
21.	Sher Afzal	Helper
22.	Ashan Mughal	Helper
23.	Babar Ayoub	Cook
24.	Faisal Khan	Cook
25.	Muhammad Younis	Tandoorchi
26.	Muhammad Abid	Gardner
27.	Syed Ishtiaq Ali	Security Guard
28.	Nawab Zada	Security Guard
29.	Ghulam Murtaza	Security Guard
30.	Muhammad Parvez	Security Guard
31.	Muhammad Arshad	Security Guard
32.	Mumtaz Khan	Security Guard
33.	Akhtar Nawaz	Security Guard
34.	Akhtar Zaman	Security Guard
35.	Liaqat Ali	Security Guard
36.	Fateh Khan	Security Guard

SCHEDULE-7

STATEMENT OF AUDITED FINANCIAL POSITION

S. No.	Name of Company	Annexure
1.	Ghani Chemical Industries Limited	Schedule-7/A
2.	Ghani ChemWorld Limited	Schedule -7/B
3.	Ghani Products (Private) Limited	Schedule -7/C

GHANI CHEMICAL INDUSTRIES LIMITED

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	2024	2023 Restated
	Rupees in thousand	
Assets		
Non-current assets		
Property, plant and equipment	10,568,886	7,210,169
Right of use assets	547,649	498,874
Intangible assets	1,479	1,479
Long term investments	20,075	0
Long term deposits	66,616	67,193
	11,204,705	7,777,715
Current assets		
Stores, spares and loose tools	362,135	313,845
Stock-in-trade	160,587	79,375
Trade debts	2,142,223	1,108,225
Loans and advances	1,336,248	1,494,459
Deposits, prepayments and other receivables	590,358	443,570
Tax refunds due from Government	93,841	34,230
Prepaid tax levies	516	0
Advance income tax	421,970	440,031
Short term investments	100,000	911,000
Cash and bank balances	468,054	525,173
	5,675,932	5,349,908
Total assets	16,880,637	13,127,623
Equity and liabilities		
Share capital and reserves		
Share capital	5,001,879	5,001,879
Share premium	164,011	164,011
Revaluation surplus on freehold and leasehold land	735,087	497,278
Merger reserve	1,342,746	1,342,746
Unappropriated profit	2,609,851	1,824,044
Total equity	9,853,574	8,829,958
Non-current liabilities		
Long term finances	1,640,536	1,270,043
Redeemable capital - Sukuk	800,000	0
Long term security deposits	70,136	49,091
Lease liabilities	5,858	5,805
Deferred liabilities	832,854	662,816
	3,349,384	1,987,755
Current liabilities		
Trade and other payables	313,738	350,095
Contract liabilities	644,340	59,745
Accrued profit	336,120	122,787
Unclaimed dividend	491	491
Short term borrowings	1,580,482	1,127,439
Current portion of non-current liabilities	486,870	407,883
Provision for tax levies	212,217	160,709
Taxation	103,421	80,761
	3,677,679	2,309,910
Total liabilities	7,027,063	4,297,665
Contingencies and commitments		
Total equity and liabilities	16,880,637	13,127,623

GHANI CHEMICAL INDUSTRIES LIMITED

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023 Restated
	Rupees in thousand	
Sales	6,394,859	5,111,123
Less: sales tax	(957,472)	(778,927)
Sales - net	5,437,387	4,332,196
Cost of sales	(3,824,876)	(2,872,358)
Gross profit	1,612,511	1,459,838
Distribution cost	(144,685)	(193,425)
Administrative expenses	(242,069)	(215,623)
Other expenses	(103,015)	(75,702)
Other income	551,108	330,934
	61,339	(153,816)
Profit from operations	1,673,850	1,306,022
Finance cost	(389,367)	(374,382)
Profit before taxation, minimum and final tax levies	1,284,483	931,640
Minimum and final tax levies	(210,789)	(151,817)
Profit before taxation	1,073,694	779,823
Taxation	(287,887)	(271,932)
Profit after taxation	785,807	507,891
Other comprehensive income		
Surplus arisen upon revaluation of:		
- freehold land	123,040	246,080
- leasehold land	114,769	251,198
	237,809	497,278
Total comprehensive income for the year	1,023,616	1,005,169
	----- Rupees -----	
Earnings per share	1.58	1.06

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Ilyas Saeed & Co.

Chartered Accountants

August 26, 2024

Ref. No. A/00039/24

CERTIFICATE OF RECEIPT OF SUBSCRIPTION MONEY

We have examined the bank statement, bearing Account No. 30000894528 of Soneri Bank Limited, New Garden Town Branch being maintained in the name of **Ghani Chemworld Limited**, evidencing the deposit of subscription money. It is, hereby, certified that an amount of Rs. 500,000 has been deposited in the Company's bank account on account of subscription money as per following details:

Sr. No.	Name of Subscriber	Shares agreed to be taken as per Memorandum of Association		Amount received by the Company (Rs.)	Date of receipt
		Number	Par Value (Rs.)		
1	Ghani Chemical Industries Limited	49,993	10	499,930	21-08-2024
Authorized Representatives of Ghani Chemical Industries Limited					
2	Masroor Ahmad Khan	1	10	10	21-08-2024
3	Atique Ahmad Khan	1	10	10	21-08-2024
4	Hafiz Farooq Ahmad	1	10	10	21-08-2024
5	Rabia Atique	1	10	10	21-08-2024
6	Saira Farooq	1	10	10	21-08-2024
7	Abdullah Ahmed	1	10	10	21-08-2024
8	Umar Ahmad	1	10	10	21-08-2024

Ilyas Saeed & Co.
Chartered Accountants



GHANI PRODUCTS (PRIVATE) LIMITED

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	30-Jun-2024	30-Jun-2023
	Rupees	
ASSETS		
Non-current assets		
Long term investment	414,606,818	359,176,818
Current assets		
Advance tax	749,782	700,734
Advance tax- Refundable	2,140	-
Cash and bank balances	2,312,383	363,795
	3,064,305	1,064,530
TOTAL ASSETS	417,671,123	360,241,348
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital 5,000,000 (June 2023: 5,000,000) Ordinary shares of Rupees 10/- each	50,000,000	50,000,000
Issued, subscribed and paid-up share capital	300,000	300,000
Loan from sponsors	354,847,000	354,847,000
Unappropriated Profit	62,099,422	5,022,445
	417,246,422	360,169,445
Current liabilities		
Trade and other payables	98,543	36,750
Due to related parties	236,260	26,260
Provision for taxation	89,898	8,893
	424,701	71,903
TOTAL EQUITY AND LIABILITIES	417,671,123	360,241,348
Contingencies and commitments		

GHANI PRODUCTS (PRIVATE) LIMITED

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	30-Jun-2024	30-Jun-2023
	Rupees	
Revenue	-	-
Cost of revenue	-	-
Gross profit	-	-
Administrative expenses	(609,000)	(42,500)
Other income	57,685,977	493,556
Finance Cost	-	(398,745)
Profit / (loss) before taxation	<u>57,076,977</u>	<u>52,311</u>
Taxation	-	(8,893)
Profit / (loss) after taxation	<u>57,076,977</u>	<u>43,418</u>
Other comprehensive income	-	-
Total comprehensive income for the year	<u>57,076,977</u>	<u>43,418</u>
Profit / (loss) per share-basic and	<u>1,902.57</u>	<u>1.45</u>



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

15922/G-59/2024

The Chief Executive,
Ghani Chemical Industries Limited
10-N, Model Town Extension,
LAHORE.

Lahore
October 10, 2024

Dear Sir,

Report on Agreed Upon Procedures Performed to Extract the Assets, Reserves and Liabilities Pertaining to Calcium Carbide Project (CACP) From the Audited Statement of Financial Position of Ghani Chemical Industries Ltd. (GCIL) as at June 30, 2024

As desired, please find enclosed unconsolidated statement of financial position as at June 30, 2024 of GCIL and allocation of assets, reserves and liabilities to CACP. We have initialled the annexed extract of statement of financial position for the purpose of identification only.

Purpose of This Agreed-Upon Procedures Engagement

Our report is solely for the purpose of assisting the management to determine the assets, reserves and liabilities pertaining to CACP as at June 30, 2024.

Responsibilities of the Company

The Company's management has acknowledged that the agreed-upon procedures engagement (the engagement) is appropriate for the purpose.

We, ShineWing Hameed Chaudhri & Co. - Chartered Accountants (the Practitioner) are responsible to carry out the procedures agreed upon and use the evidence obtained as a basis for the report of factual findings.

Practitioner's Responsibilities

We have conducted this engagement in accordance with the International Standard on Related Services 4400 (Agreed-Upon Procedures Engagements). An agreed-upon procedures engagement involves performance of the procedures that have been agreed with the management and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

SWHE

Principal Office:
HM House
7-Bank Square, Lahore
Tel: +92 42 37235084-87
Email: fring@hccpk.com

Other Offices:
Karachi, Islamabad & Multan

www.hccpk.com
sw.international

 Catalyst for success

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the management of GCIL, to extract the assets, reserves and liabilities pertaining to CACP as at June 30, 2024 from the audited statement of financial position of GCIL.

Sr.no.	Procedures	Findings
1.	Obtained the audited statement of financial position of GCIL, as at June 30, 2024.	Identified the assets, reserves and liabilities related to CACP from the relevant underlying documents.
2.	Obtained representations from management regarding the allocation basis of assets, reserves and liabilities to CACP.	Checked reasonableness of basis adopted by the management and ensured the correctness of balances allocated to different heads of account.
3.	Ascertained inter-segment balance.	Checked reasonableness and correctness of balance.

Caveats

- This report has been prepared on the specific request of management for filing of Scheme of Compromises, Arrangement and Reconstruction before the Lahore High Court (LHC) and submission to Pakistan Stock Exchange.
- This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.
- Had we performed additional procedures, other matters might have come to our attention that would have been reported.
- This report should not be distributed to any other third party except stated above without our prior written consent. This report is restricted to the facts stated herein.
- The information contained in the attached Annexure is based on the proposed Scheme of Compromises, Arrangement and Reconstruction as approved by the Board of Directors of GCIL and is subject to approval by the LHC.

Yours truly,

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Ghani Chemical Industries Limited (GCIL) 1/2 Annexure
 Unconsolidated Statement of Financial Position as at June 30, 2024 and Allocation of Assets, Reserves
 and Liabilities to Calcium Carbide Project (CACP)

		Balance as per audited statement of financial position of GCIL as at June 30, 2024	Assets, reserves and liabilities allocated to CACP	Assets and liabilities retained in GCIL
	Note	Rupees in thousand		
Assets				
Non-current assets				
Property, plant and equipment	1	10,568,886	1,917,437	8,651,449
Right of use assets		547,649	0	547,649
Intangible assets		1,479	0	1,479
Long term investments		20,075	0	20,075
Long term deposits		66,616	0	66,616
		11,204,705	1,917,437	9,287,268
Current assets				
Stores, spares and loose tools	2	362,135	18,814	343,321
Stock-in-trade		160,587	0	160,587
Trade debts		2,142,223	0	2,142,223
Loans and advances	3	1,336,248	33,765	1,302,483
Deposits, prepayments & other receivables	4	690,368	124,865	465,493
Tax refunds due from Government		93,841	0	93,841
Prepaid tax levies		516	0	516
Advance income tax		421,970	0	421,970
Short term investments	5	100,000	100,000	0
Cash and bank balances	6	468,054	200,000	268,054
		5,675,932	477,444	5,198,488
Total assets		16,880,637	2,394,881	14,485,756
Equity and liabilities				
Share capital and reserves				
Share capital		5,001,879	0	5,001,879
Share premium		164,011	0	164,011
Revaluation surplus on freehold and leasehold land	7	735,087	124,950	610,137
Merger reserve		1,342,746	0	1,342,746
Unappropriated profit		2,609,851	0	2,609,851
Total equity		9,853,574	124,950	9,728,624
Non-current liabilities				
Long term finances		1,640,536	0	1,640,536
Redeemable capital - Sukuk	8	800,000	800,000	0
Long term security deposits		70,136	0	70,136
Lease liabilities		5,858	0	5,858
Deferred liabilities		832,854	0	832,854
		3,349,384	800,000	2,549,384
Current liabilities				
Trade and other payables	9	313,738	87,400	226,338
Contract liabilities		544,340	0	544,340
Accrued profit	10	336,120	38,071	298,049
Unclaimed dividend		491	0	491
Short term borrowings		1,580,482	0	1,580,482
Current portion of non-current liabilities		486,870	0	486,870
Provision for tax levies		212,217	0	212,217
Taxation		103,421	0	103,421
Inter segment payable/ (receivable)	11	0	1,344,460	(1,344,460)
		3,677,679	1,469,931	2,207,748
Total liabilities		7,027,063	2,269,931	4,757,132
Total equity and liabilities		16,880,637	2,394,881	14,485,756

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 Chartered
 Accountants

Basis of Allocation of Assets, Reserves and Liabilities to CACP

1. The following components of property, plant and equipment of GCIL have been allocated to CACP:

	Rupees in thousand	Remarks
Leasehold land	293,480	13.34 acres leasehold land situated at Hattar.
Capital work-in progress	1,500,645	The cost of CACP plant as disclosed in note 5.9 to the audited financial statements of GCIL.
Stores held for capitalisation	118,207	As identified from the stores and spares inventory sheets.
Other miscellaneous assets	5,104	As determined by management of GCIL.
	1,917,437	

2. As identified from the stores and spares inventory sheets of GCIL for the year ended June 30, 2024.
3. Advances made to supplier of CACP. The balance has been identified from audit working paper files for the year ended June 30, 2024.
4. The balance pertains to construction contractor against civil works for CACP at Hattar.
5. These represent term deposit receipts held by bank as security for bills payable pertaining to CACP.
6. These represent funds allocated to CACP by management on estimated basis.
7. The surplus pertains to 13.34 acres leasehold land of CACP situated at Hattar.
8. This redeemable capital (Sukuk) has been issued for the purpose of meeting the capital expenditure requirements of CACP at Hattar.
9. These represent bills payable pertaining to CACP.
10. This represents profit accrued on redeemable capital (Sukuk).
11. The management of GCIL will issue shares against the balances lying under reserves after adjusting intersegment receivable balance as detailed in Annexure B of our report bearing Ref. no.15923 dated October 10, 2024.





SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

15923/G-59/2024

The Chief Executive,
Ghani Chemical Industries Limited
10-N, Model Town Extension,
LAHORE.

Lahore
October 10, 2024

Dear Sir,

**Report on Agreed Upon Procedures Performed on Computation of Swap Ratios of
Ghani Chemical Industries Ltd. with Ghani Products (Pvt.) Ltd. and
Ghani ChemWorld Ltd.**

As desired, please find enclosed the following:

Condensed Audited Balance Sheet of Ghani Products (Pvt.) Ltd.
(GPL) as at June 30, 2024 for computation of proposed swap ratio
with Ghani Chemical Industries Ltd. (GCIL) **Annexure-A**

Balance sheet of GCIL after transfer of assets, reserves and
liabilities to Ghani ChemWorld Ltd. (GCWL) and assumption of
assets and liabilities of GPL **Annexure-B**

Balance sheet of GCWL after proposed Reconstruction
adjustments and computation of Swap ratio with GCIL **Annexure-C**

Purpose of This Agreed-Upon Procedures Engagement

Our report is solely for the purpose of assisting the management to determine the swap ratios.

Responsibilities of the Company

The Company's management has acknowledged that the agreed-upon procedures engagement (the engagement) is appropriate for the purpose.

We, ShineWing Hameed Chaudhri & Co. - Chartered Accountants (the Practitioner) are responsible to carry out the procedures agreed upon and use the evidence obtained as a basis for the report of factual findings.

Practitioner's Responsibilities

We have conducted this engagement in accordance with the International Standard on Related Services 4400 (Agreed-Upon Procedures Engagements). An agreed-upon procedures engagement involves performance of the procedures that have been agreed with the management and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

SWHE

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the management of GCIL, to compute the swap ratios.

Sr.no.	Procedures	Findings
1.	Obtained the audited statement of financial position of GPL as at June 30, 2024.	Identified the assets and liabilities to be transferred to GCIL upon approval of proposed Scheme of Reconstruction.
2.	Obtained computation of swap ratio for shares to be issued by GCIL to the shareholders of GPL.	We found that swap ratio has been reasonably computed.
3.	Obtained the audited statement of financial position of GCIL as at June 30, 2024 in which management has incorporated the proposed Reconstruction adjustments pertaining to GCWL and GPL. Also, checked reasonableness and accuracy of the aforementioned adjustments as well as accuracy of break-up value per share of GCIL.	We found that Reconstruction adjustments pertaining to GCWL and GPL have been incorporated accurately. Further, break-up value per share of GCIL has also been worked-out correctly.
4.	Obtained proposed statement of financial position of GCWL after incorporation of Reconstruction adjustments and computation of swap ratio for shares to be issued by GCWL to the shareholders of GCIL. Also, checked their reasonableness and accuracy.	We found that Reconstruction adjustments pertaining to GCWL have been incorporated accurately. Further, swap ratio has been worked-out correctly.

SWHC



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Caveats

- This report has been prepared on the specific request of management for filing of Scheme of Compromises, Arrangement and Reconstruction before the Lahore High Court and submission to the Pakistan Stock Exchange.
- This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.
- Had we performed additional procedures, other matters might have come to our attention that would have been reported.
- This report should not be distributed to any other third party except stated above without our prior written consent. This report is restricted to the facts stated herein.
- The information contained in the attached Annexures A to C is based on the proposed Scheme of Compromises, Arrangement and Reconstruction as approved by the Board of Directors of GCIL and is subject to approval by the LHC.

Yours truly,

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Annexure - A

Condensed Audited Balance Sheet of Ghani Products (Pvt.) Ltd, GPL as at June 30, 2024 for computation of proposed swap ratio with Ghani Chemical Industries Ltd. (GCIL)

		Reserves, Liabilities and Assets to be transferred to GCIL upon proposed Reconstruction
		Rupees in thousand
Reserves		
Share capital		300
Loan from sponsors		354,547
Unappropriated profit		62,099
		<u>417,246</u>
Liabilities		
Trade and other payables		99
Due to related parties		236
Provision for taxation		90
		<u>425</u>
		<u>417,671</u>
Assets		
Long term investments in GCIL	Note 1	414,607
Advance tax		752
Cash and bank balances		2,312
		<u>417,671</u>
Notes		
1	These investments will be transferred to the Directors of GPL upon proposed Reconstruction with GCIL.	
2	The following assets and liabilities will be transferred to GCIL, which will issue shares as consideration:	
	Assets	
	Advance tax	752
	Cash and bank balances	2,312
		<u>3,064</u>
	Liabilities	
	Trade and other payables	99
	Due to related parties	236
	Provision for taxation	90
		<u>425</u>
	Net assets to be transferred to GCIL	<u>2,639</u>
	A	
	Number of shares to be issued by GCIL of Re.10 each	<u>263,900</u>
	B=A/10*1000	
	Number of issued, subscribed or paid-up shares of GPL before Reconstruction	<u>30,000</u>
	C	
	Swap ratio of GCIL shares with GPL shares	<u>8.80</u>
	D=B/C	



(1/3)

Balance sheet of GCIL after transfer of assets, reserves and liabilities to Ghani ChemWorld Ltd. (GCWL) and assumption of assets and liabilities of GPL

	Balance as per audited statement of financial position as at June 30, 2024	Rupees in thousand		Adjusted balance sheet of GCIL after proposed Reconstruction
		Assets, liabilities and reserves to be transferred to GCWL upon proposed Reconstruction	Assets and liabilities transferred by GPL to GCIL upon proposed Reconstruction	
Assets				
Non-current assets				
Property, plant and equipment	10,568,896	1,917,437	0	8,651,449
Right of use assets	547,649	0	0	547,649
Intangible assets	1,479	0	0	1,479
Long term investments	20,075	0	0	20,075
Long term deposits	66,616	0	0	66,616
	11,204,705	1,917,437	0	9,287,268
Current assets				
Stores, spares and loose tools	362,135	18,514	0	343,621
Stock-in-trade	160,587	0	0	160,587
Trade debts	2,142,223	0	0	2,142,223
Loans and advances	1,336,248	33,765	0	1,302,483
Deposits, prepayments & other receivables	590,388	124,865	0	465,493
Tax refunds due from Government	93,841	0	0	93,841
Prepaid tax levies	516	0	0	516
Advance income tax	421,970	0	752	422,722
Short term investments	100,000	100,000	0	0
Cash and bank balances	468,054	203,000	2,312	267,366
	5,675,932	480,444	3,064	5,198,552
Total assets	16,880,637	2,397,881	3,064	14,486,820
C/F	A	C	E	



	(2/3)	Balance as per audited statement of financial position as at June 30, 2024	Assets, liabilities and reserves to be transferred to GCWL upon proposed Reconstruction	Assets and liabilities transferred by GPL to GCIL upon proposed Reconstruction	Annexure -B Adjusted balance sheet of GCIL after proposed Reconstruction
			Rupees in thousand		
Total assets		16,880,637	2,397,881	3,064	14,485,820
Equity and liabilities					
Share capital and reserves					
Share capital		5,001,879	0	0	5,001,879
Share premium		164,011	164,011	0	0
Revaluation surplus on freehold and leasehold land		736,087	736,087	0	0
Merger reserve		1,342,746	1,342,746	0	0
Unappropriated profit		2,809,851	(69,434)	0	2,679,285
Total equity		9,853,574	2,172,410	0	7,681,164
Non-current liabilities					
Long term finances		1,640,538	0	0	1,640,538
Redeemable capital - Sukuk		800,000	800,000	0	0
Long term security deposits		70,136	0	0	70,136
Lease liabilities		5,858	0	0	5,858
Deferred liabilities		832,854	0	0	832,854
		3,349,384	800,000	0	2,549,384
Current liabilities					
Trade and other payables		313,739	87,400	336	226,673
Contract liabilities		644,340	0	0	644,340
Accrued profit		336,120	38,871	0	298,049
Unclaimed dividend		481	0	0	481
Short term borrowings		1,580,482	0	0	1,580,482
Current portion of non-current liabilities		486,870	0	0	486,870
Provision for tax levies		212,217	0	0	212,217
Taxation		103,421	0	90	103,511
		3,677,579	125,471	426	3,652,533
Total liabilities		7,027,053	925,471	426	6,102,017
Total equity and liabilities		16,880,637	3,097,881	425	13,783,181
			A-B	C-D	E-F
Difference between reserves, liabilities and assets against which shares to be issued by GCIL upon proposed Reconstruction		0	700,000	(2,639)	(702,639)
Value of shares to be issued by GCIL upon proposed Reconstruction to GCWL		0	(700,000)	0	700,000
Value of shares to be issued by GCIL upon proposed Reconstruction to the shareholders of GPL		0	0	2,639	2,639



(3/3)

After incorporation of proposed Reconstruction adjustments, the revised paid-up share capital of GCIL will be as follows:

	No of shares	Rupees in thousand
Existing issued, subscribed and paid-up share capital of GCIL as per audited financial statements for the year ended June 30, 2024	500,187,939	5,001,879
Shares to be issued by GCIL to the shareholders of GPL	263,900	2,639
Shares to be issued by GCIL to GCWL	70,000,000	700,000
Revised issued, subscribed and paid-up share capital of GCIL after proposed Reconstruction	<u>Y 570,451,839</u>	<u>5,704,518</u>

Unappropriated profit as disclosed above

2,679,285

Revised equity of GCIL after incorporation of proposed Reconstruction adjustments

X

8,383,803

Break-up value of GCIL after incorporation of proposed Reconstruction adjustments

X*1000/Y

14.8968



(1/2)

Annexure - C

Balance sheet of GCWL after proposed Reconstruction adjustments and computation of Swap ratio with GCIL

Assets	Balance sheet of GCWL as per management	Assets, reserves and liabilities to be transferred by GCIL upon proposed Reconstruction	Adjustments to be incorporated upon proposed Reconstruction	Balance sheet of GCWL after proposed Reconstruction adjustments
Rupees in thousand				
Non-current assets				
Property, plant and equipment	0	1,917,437	0	1,917,437
Long term investments	0	0	1,028,774	1,028,774
	0	1,917,437	1,028,774	2,946,211
Current assets				
Stores, spares and loose tools	0	18,814	0	18,814
Loans and advances	0	33,785	0	33,785
Deposits, prepayments & other receivables	0	124,885	0	124,885
Short term investments	0	100,000	0	100,000
Cash and bank balances	500	203,000	0	203,500
	500	480,444	0	480,944
Total assets	500	2,397,881	1,028,774	3,427,155
Equity and liabilities				
Share capital and reserves				
Share capital	500	0	2,500,839	2,501,439
Share premium	0	164,011	(164,011)	0
Revaluation surplus on freehold and leasehold land	0	735,087	(734,842)	245
Merger reserve	0	1,342,746	(1,342,746)	0
Unappropriated profit	0	(89,434)	89,434	0
Total equity	500	2,172,410	328,774	2,501,684
Non-current liabilities				
Redeemable capital - Sukuk	0	800,000	0	800,000
Current liabilities				
Trade and other payables	0	87,400	0	87,400
Accrued profit	0	38,071	0	38,071
	0	125,471	0	125,471
Total liabilities	0	925,471	0	925,471
Total equity and liabilities	500	3,097,881	328,774	3,427,155
Difference of assets, reserves and liabilities	0	700,000	(700,000)	0



(2/2)

Working - 1

		Annexure - C
Number of shares to be issued by GCIL upon proposed Reconstruction	Nos.	<u>70,000,000</u>
Break-up value per share of GCIL as computed in Annexure - B	Rs.	<u>14.6988</u>
Value of investments to be incorporated in the financial statements of GCWL (based on equity method)	Rs. '000'	<u>1,028,774</u>

Working - 2

Computation of shares to be issued to the shareholders of GCIL upon proposed Reconstruction	Rupees in thousand
Share premium	164,011
Revaluation surplus on freehold and leasehold land	734,842
Merger reserve	1,342,746
Unappropriated profit	(69,434)
Long term Investments	1,028,774
Difference of assets, reserves and liabilities as computed above	(700,000)
	A
	<u>2,500,939</u>

Working - 3

Computation of swap ratio between GCIL and GCWL		Numbers
Paid-up share capital of GCWL after proposed Reconstruction	B=A*1000/100	<u>25,009,390</u>
Total shares of GCIL after proposed Reconstruction	C	<u>570,451,838</u>
Shares of GCIL to be held by GCWL	D	<u>70,000,000</u>
Balance shares of GCIL	E=C-D	<u>500,451,838</u>
Swap ratio of GCIL shares with GPL shares OR 80 shares of GCWL for every 1,000 shares of GCIL	F=B/E	0.050

Note

The management intends to consolidate all the reserves after the approval of proposed Scheme of Reconstruction.





Ghani Global Group

GHANI CHEMICAL INDUSTRIES LIMITED

Extra-Ordinary General Meeting

FORM OF PROXY

I/We _____

of _____

being a member of GHANI CHEMICAL INDUSTRIES LIMITED _____

_____ hereby appoint _____

residence of _____

*failing him/her _____ residence of _____

_____ as alternate

as my / our Proxy to attend act and vote for me/us on my/our behalf at Extra-Ordinary General Meeting of the members of the Company to be held at Registered Office of the Company i.e. 10-N, Model Town Lahore on Saturday, November 23, 2024 at 11:30 AM and/or at any adjournment(s) thereof.

Signed this on _____ day of November 2024.

Sign by the said Member

Signed in the presence of:

1. Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

2. Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

Information equired		For Member (Shareholder)	For Proxy	For alternate Proxy (*)
			(If member)	
Number of shares held				
Folio No.				
CDC Account No.	Participa t I.D.			
	Account No.			

Affix
Revenue
Stamp of
Rs.50/-

(*) Upon failing of appointed Proxy.

غنی کیمیکل انڈسٹریز لمیٹڈ

غیر معمولی اجلاس عام

پراکسی فارم



Ghani Global Group

میں مسٹی / مسماة -----
ساکن -----
بحیثیت ممبر غنی کیمیکل انڈسٹریز لمیٹڈ -----
ساکن ----- مقرر کرتا ہوں
* یا اس کی غیر حاضری کی صورت میں ----- ساکن -----
کو متبادل پراکسی مقرر کرتا ہوں
کہ وہ میری / ہماری جگہ کمپنی کے غیر معمولی اجلاس عام جو بتاریخ 23 نومبر 2024ء بروز ہفتہ صبح 11:30 کمپنی کے رجسٹرڈ آفس جو کہ N-10 ماڈل ٹاؤن
ایکسٹینشن، لاہور میں منعقد ہو رہا ہے اور / یا اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

آج مورخہ _____ نومبر 2024 کو دستخط کئے گئے۔

دستخط ممبر

گواہان:

1. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ / پاسپورٹ نمبر: _____
2. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ / پاسپورٹ نمبر: _____

پچاس روپے
مالیت کے رسیدی
ٹکٹ
چسپاں کریں۔

ضرورت معلومات	رکن کے لئے (شیر ہولڈر)	پراکسی کے لئے (اگر رکن ہے)	متبادل پراکسی کے لئے (*)
حصص کی تعداد			
فولیو نمبر			
سی۔ ڈی۔ سی اکاؤنٹ نمبر	پارٹیسپنٹ آئی۔ ڈی		
	اکاؤنٹ نمبر		

(* مقرر کردہ پراکسی کی ناکامی پر

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Ghani Global Group

Corporate Office:

10-N, Model Town Ext., Lahore 54000, Pakistan. UAN: 111 GHANI 1 (442-641)

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