

GCIL/Corp/PSX

March 10, 2025

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road-KARACHI.

DISCLOSURE OF MATERIAL INFORMATION
(SANCTIONED OF DEMERGER/MERGER SCHEME)

Dear Sir,

In accordance with applicable provisions of the Securities Act, 2015 and Rule Book of Pakistan Stock Exchange Limited, we are pleased to inform you that the Honorable Lahore High Court, Lahore (the Court) vide its order dated February 20, 2025 (issued on March 07, 2025) has sanctioned the demerger/merger Scheme of Compromises, Arrangement and Reconstruction (the Scheme) for the transfer of whole of the business and undertaking of "Calcium Carbide Project" of Ghani Chemical Industries Limited (GCIL) with and into Ghani ChemWorld Limited (GCWL) against allotment of 500 shares of GCWL to the shareholders of GCIL against every 1,000 shares of GCIL and transfer of designated assets of Ghani Products (Private) Limited (GPL) with and into GCIL and other related matters.

Certified copy of the Court Order in C.O. No. 65259/2024 along with sanctioned Scheme is enclosed.

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

Very Truly Yours
GHANI CHEMICAL INDUSTRIES LIMITED



FARZAND ALI
Company Secretary

Encls: As stated above

- CC: 1. Central Depository Company of Pakistan Limited, Karachi.
2. National Clearing Company of Pakistan Limited, Karachi.
3. The Executive Director, Supervision Department, SECP, Islamabad.

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: ggi1plant@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: ggi2plant@ghaniglobal.com

Hattar Plants:

Plot No. 7-24, Zone-B,
Hattar Special Economic Zone,
District Hattar.
E-mail: ggi3plant@ghaniglobal.com

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Form No.HCID/C-121

ORDER SHEET
IN THE LAHORE HIGH COURT LAHORE
JUDICIAL DEPARTMENT

Examiner
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Lahore High Court, Lahore

C.O. No. 65259 of 2024

In the matter of Ghani Chemical Industries Limited and others

| Sr. No. of Order/ Proceeding | Date of order/ Proceedings | Order with signatures of Judge, and that of parties of counsel, where necessary |
|---------------------------------|-------------------------------|--|
| 20.02.2025 | | Mr. Barrister Ahmed Pervaiz, Advocate for the Petitioners Mr. Hafiz Tallaha Yahya, Advocate for Securities and Exchange Commission of Pakistan. |

C.M. No.1 of 2025:

This is an application filed by the petitioners for placing on record the affidavit of Farzand Ali, Company Secretary of Ghani ChemWorld. This application is allowed subject to all just and legal exceptions.

MAIN CASE:

2. This petition jointly filed by the petitioners under sections 279 to 285 of the Companies Act, 2017 (the **Act**) seeks sanction of the Scheme of Arrangement and Reconstruction (the **Scheme**) which envisages transfer to vesting of complete business and undertaking of "Calcium Carbide Project" of Ghani Chemical Industries Limited/Petitioner No. 1 Ghani ChemWorld Limited/Petitioner No. 2. The Scheme of Arrangement also contemplates transfer of designated assets of Ghani Products (Private) Limited/Petitioner No. 3 with and into Ghani Chemical Industries Limited/Petitioner No. 1 and transfer of shares of Ghani Chemical Industries Limited/Petitioner No. 1 held by Ghani Products (Private) Limited/Petitioner No. 3 to the shareholders of Ghani Products (Private) Limited/Petitioner No. 3 and the

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dissolution of Ghani Products (Private) Limited/Petitioner No. 3 without winding up.

3. The Court on 21.10.2024 gave directions for holding of Extraordinary General Meetings of the shareholders of the petitioner Companies to ascertain the wishes of the shareholders thereof to the Scheme and for this purpose appointed Mr. Khawaja Muhammad Saeed and Mr. Azmat Hayat Khan Lodhi Advocates as Chairmen to hold and preside over the meetings and submit their report. Notices were also ordered to be issued through proclamation in daily "Dawn" and "Nawa-i-Waqt" under Rule 61 of the Companies (Court) Rules, 1997 (the "Rules") which proclamations have since been published.

4. Pursuant to Rule 57 of the Rules, the Chairmen have submitted their report, which is duly supported by the relevant record. According to the report, the extra ordinary general meetings of the respective petitioners were scheduled and notified for 23.11.2024. As per the report, the meetings were convened and held as per the schedule under the supervision of the Chairmen. The attendance sheets of shareholders of the petitioner Companies have also been placed on record, which reflect the participation of the shareholders of the petitioner Companies in the meetings, personally or through proxy. The Scheme was approved by almost 100% of the shareholders of the petitioner Companies present, personally or through proxy, in their respective meetings.

5. Pursuant to the notices/proclamations issued by this Court, only the Securities and Exchange Commission of Pakistan (SECP) filed its parawise comments to the petition raising certain observations which were replied to by the Petitioner Companies on which the SECP filed its rejoinder/comments. Petitioner No. 2 also submitted affidavit to comply with rules of Pakistan Stock Exchange Limited (the PSX) if framed by PSX before completion date or listing of Petitioner No. 2, whichever is earlier. The learned

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counsel for the SECP at the hearing has raised no objection to the Scheme in view of the affidavit filed by Ghani ChemWorld/petitioner No.2 and the rejoinder filed by petitioner Company.

6. It is apparent that the Petitioner Companies are in compliance of all the requisite legal formalities, including holding of separate meetings of shareholders.

7. None of the stakeholders, creditors, shareholders of the Petitioner Companies and other interested parties have come forward and raised any objection to the Scheme. This petition is **allowed** and the Scheme annexed with this petition along with the Article-7 as addendum to the Scheme annexed with the rejoinder filed on behalf of the Petitioner Companies to the comments of the SECP is hereby sanctioned and shall take effect in terms of section 282 of the Act. The Scheme and the aforementioned addendum shall form part of this order as "Schedule A" subject to all post-sanction approvals as required by law. In consequence thereof, it is ordered in terms of section 282 (3)(4) and (5) of the Act as follows:

- (a) In terms of the scheme, the whole of the business and undertaking of Calcium Carbide Project of Petitioner No.1 to be transferred and vest in Petitioner No.2 without any further act or deed including all assets, liabilities, properties, rights, privileges, benefits of contracts, sanctions, authorizations, licenses and obligations of each of Petitioner No.1, as specified in the Scheme;
- (b) In terms of the scheme, the transfer of designated assets of Petitioner No.3 be transferred and vest into Petitioner No.1 together with all assets, liabilities, properties, rights, privileges, benefits of contracts, sanctions, authorizations, licenses and obligations of each of Petitioner No.3, as specified in the Scheme;
- (c) In terms of the Scheme, the transfer of shares of Petitioner No.1 held by Petitioner No.3 to its shareholders.
- (d) Thereafter Petitioner No.3 shall be dissolved without winding up in terms of the Scheme.

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8. The petitioner Companies are directed to submit certified copy of this Order with the SECP within 30 days in terms of Section 284 (4) of the Act.

(Shams Mehmood Mirza)
Judge

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Authorized by Article 87 of
Company Order 191

Copy Petition No.: 101454
Submission Date: 21-2-25
No of Pages: 98
Fee (Rs. 1- per Page) 624
Urgent Fee (if any) 8-3-25
Total Fee (Rs.) 8-3-25
Date of Completion: 28/3/25
Date of Delivery: 28/3/25

THE LAHORE HIGH COURT, LAHORE

C.O. No. 65259 /2024

In the matter of:

1. **GHANI CHEMICAL INDUSTRIES LIMITED**
having its registered office at
10-N, Model Town Ext. Lahore
In the Province of Punjab.

... Petitioner No. 1

2. **GHANI CHEMWORLD LIMITED**
having its registered office at
10-N, Model Town Ext. Lahore
In the Province of Punjab.

... Petitioner No. 2

3. **GHANI PRODUCTS (PVT.) LIMITED**
having its registered office at
10-N, Model Town Ext. Lahore
In the Province of Punjab.

... Petitioner No. 3

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JOINT PETITION by the Petitioners under Sections 279 to 283 and 285 of the Companies Act, 2017 read with SRO No.840(I)/2017 dated 24.08.2017 and all other enabling provisions of law for sanction of the Scheme of Compromises, Arrangements and Reconstruction

Respectfully sheweth:

That this Petition seeks the sanction of this Honourable Court pursuant to Sections 279 to 283 read with Section 285(8) of the Companies Act, 2017 (the "Act") for a Scheme of Compromises, Arrangements and Reconstruction for amalgamation (the "**Scheme**") between the Petitioners and their members. Further it is sought to obtain certain facilitating orders

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It is, therefore, most respectfully prayed that this Honourable Court may be pleased:

- A. to direct the convening of a separate and/or joint meeting of the members of the Petitioners at such time and place as may be ordered;
- B. to direct that notices through publication or otherwise, of the said meeting(s) be given to the members of the Petitioners, the Registrar as required under Section 283 of the Companies Act, 2017 and to the secured creditors and the general public at large;
- C. to give directions, if deemed fit, that the Chief Executive Officer of Petitioner No. 1 or such other person as this Honorable Court may be pleased to appoint, be appointed as Chairman of the said meeting(s) and to direct the said Chairman to submit reports to this Honourable Court of the due convening and resolutions passed at such meeting(s) by such date as may be fixed, and that the quorum requisite for the conduct of business at each such meeting shall be that specified in the articles of association of each of the Petitioner;
- D. to approve and sanction the Scheme as set forth in **Annexure - A**;
- E. to pass all requisite vesting orders for giving effect to the Scheme, including vesting orders pursuant to Section 282 of the Companies Act, 2017;
- F. to order that the costs and incidental expenses to this application be paid by the Petitioner No.1; and

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G. to pass such further order or orders and to issue all consequential and necessary directions as this Honorable Court may deem fit and proper in the circumstances.




Petitioner No. 1

Petitioner No. 2



Petitioner No. 3

through


Barrister Ahmed Pervaiz
 Advocate Supreme Court

Ahmed & Pansota
 Advocate & Legal Consultants
 20-Sir Ganga Ram Mansions,
 The Mall, Lahore

Certificate:

As per instructions it is the first petition under Sections 279 to 283 of the Companies Act, 2017 to effect merger between the Petitioners.

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 Advocate

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Hafiz Farooq

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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, 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, Ghani Chemical Industries Limited was at Pakistan Stock Exchange Limited listed 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 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.P.K 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.



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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 : PSX
Trading Symbol : GCIL
Market Price : Rs. 11.25 per Share (as on September 13, 2024)
Trading Status : Active (main board)

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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. (Avalied) (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.



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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 |
|--------------------|-----------|

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Signature



Signature



| | |
|--|-------------------|
| 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 |
| Current portion of non-current liabilities | 486,870 |
| Provision for tax levies | 212,217 |
| Taxation | 103,421 |
| | 3,677,679 |
| Total liabilities | 7,027,063 |
| Total equity and liabilities | 16,880,637 |

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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



Hafiziraj



[Signature]



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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 |

3. 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 |
| | <u>417,246</u> |

Current liabilities

| | |
|--------------------------|------------|
| Trade and other payables | 335 |
| Taxation | 90 |
| | <u>425</u> |

| | |
|-------------------------------------|----------------|
| Total equity and liabilities | 417,671 |
|-------------------------------------|----------------|

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4. OBJECTIVES AND BENEFITS

1) 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);



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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;

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;



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

| | | GCL | 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

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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;
 - (d) **"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



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- (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/medical 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.

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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 | Issuance Against | Share Capital |
|--------------------|-----------------------------|----------------------|
| Nos. | | 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.



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(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 |

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(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 |



Hafiz Farooq

[Signature]

[Signature]



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 |



Hafiz Farooq

[Signature]



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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 |
| | | 6,000,000 | 2,551,000 |
| 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.

IX. 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.



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ARTICLE - 3 - THE SCHEME OF ARRANGEMENT

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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.

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**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.

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- 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.



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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.

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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.

On 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;



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- (ii) 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;
- (iii) 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:

- (i) 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



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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.

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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 |
| 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 | | |

- 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 |



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- 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 |

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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

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 | Nos. | 263,960 |
| I.e. 8.80 shares of GCIL against One share of GPL under SWAP ratio | | |
| 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 | GCWL | GCIL | GCWL |
| | | | | | | | Partially Redeemable Shares |
| | | | | | | | Ordinary 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 prorate basis) and issuance of additional shares of GCIL to the shareholders of GPL.



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ISSUANCE/TRANSFER/CANCELLATION OF SHARES

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- 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:
- a. Distribution of shares of GCIL held by GPL to the shareholders of GPL;
 - b. Issuance of additional shares of GCIL to the shareholders of GPL;
 - c. 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.



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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.

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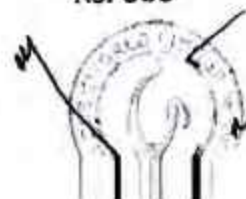
- IV. The authorized share capital of GCWL, GCIL and GPL shall be reconstituted.
- V. Requisite changes in the Memorandum and Articles of Association of GCIL and GCWL shall be allowed for the requisite authorized capital (including merged share capital and additional share capital).
- VI. The authorized 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 | - | 2,500,939 |

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Comparative Summary of Authorized and Issued Capital:

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| Authorized Capital | | | Authorized Capital in Rs. 000 | |
|--------------------|--------------------------------|------------------------|-------------------------------|------------------|
| Company | Type of Share | Par Value Rs./share | 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 | Issued Capital in Rs. 000 | |
|--------------|-----------------------------|-------------------|---------------------------|------------------|
| | | Rs./share | 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).



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20.02.25**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.

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ARTICLE – 6 – GENERAL PROVISIONS

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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 corresponding changes need to be made in the Statement of Profit and Loss for the interim period between effective date and sanction dates.



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(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.

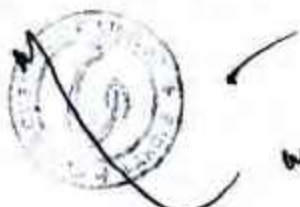
(xii) For the purposes of giving effect to the Scheme or any modification or amendment thereof, the directors of GCIL are hereby authorized by GCWL, GPL to give such directions and / or to take all such steps and actions as may be necessary or desirable including any direction for settling any question 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.



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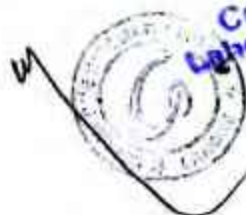


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- IV. There can be difference in tax year(s) between the Effective Date and the Sanction Date. Tax returns shall not be changed/revised for the effective dates for the entities involved (i.e. GCIL, GPL and GCWL). Moreover, tax position as on Sanction 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).



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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.
- 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) to rounding shall be issued to any retirement fund of the GCIL.

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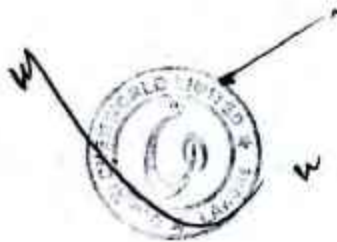


SCHEDULE - 2

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 |

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SCHEDULE – 3

GHANI CHEMICAL INDUSTRIES LIMITED

LIST OF THE SHAREHOLDERS

As on September 30, 2024

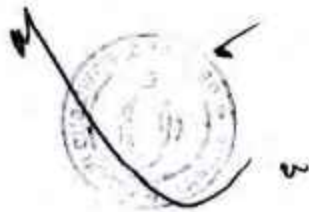
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| Sr. No. | Name | No. of Shares Held |
|--------------|--|--------------------|
| 1 | Masroor Ahmad Khan, Chairman Board of Directors | 261,576 |
| 2. | Hafiz Farooq Ahmad, Chief Executive Office | 284,678 |
| 3. | Atique Ahmad Khan, Director | 261,576 |
| 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 |

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SCHEDULE - 4-
The Statement of Financial Position showing the Scheme Effect

| | GCPL Consolidated June 30, 2024 Rs. 000 | GCPL Cashmere Capital Project June 30, 2024 Rs. 000 | GCPL Fixed Asset June 30, 2024 Rs. 000 | GCPL Liquid July 31, 2024 Rs. 000 | GCPL Sundries June 30, 2024 Rs. 000 | GCPL Debtors/Debtors Adjustment Rs. 000 | GCPL Rs. 000 | GCPL After Debtors Rs. 000 | GCPL Rs. 000 |
|---|--|--|---|--|--|---|-----------------|----------------------------------|-----------------|
| Assets | | | | | | | | | |
| Non-current assets | | | | | | | | | |
| Property, plant and equipment | 10,594,486 | 1,917,437 | 8,655,448 | 8,655,448 | 1,917,437 | 1,917,437 | 1,917,437 | 1,917,437 | 1,917,437 |
| Right of use assets | 547,693 | 1,479 | 547,693 | 547,693 | 1,479 | 1,479 | 1,479 | 1,479 | 1,479 |
| Intangible assets | 1,479 | 20,075 | 20,075 | 20,075 | 20,075 | 20,075 | 20,075 | 20,075 | 20,075 |
| Long term investments | 66,614 | | 66,614 | 66,614 | | | 66,614 | 66,614 | 66,614 |
| Long term deposits | | | | | | | | | |
| | 11,209,798 | 1,917,437 | 9,587,298 | 9,587,298 | 414,407 | | 9,587,298 | 2,048,531 | 2,048,531 |
| Current assets | | | | | | | | | |
| Stocks, spare and loose tools | 342,135 | 18,814 | 342,135 | 342,135 | | 18,814 | 342,135 | 342,135 | 342,135 |
| Stock-in-trade | 1,500,587 | | 1,500,587 | 1,500,587 | | | 1,500,587 | 1,500,587 | 1,500,587 |
| Trade debtors | 1,142,223 | 31,795 | 1,142,223 | 1,142,223 | | 31,795 | 1,142,223 | 1,142,223 | 1,142,223 |
| Debtors and other receivables | 1,338,248 | 124,485 | 1,338,248 | 1,338,248 | | 124,485 | 1,338,248 | 1,338,248 | 1,338,248 |
| Prepaid expenses and other receivables | 590,348 | | 590,348 | 590,348 | | | 590,348 | 590,348 | 590,348 |
| Trade receivables due from Government | 82,841 | | 82,841 | 82,841 | | | 82,841 | 82,841 | 82,841 |
| Prepaid tax | 516 | | 516 | 516 | | | 516 | 516 | 516 |
| Advance income tax | 421,979 | 108,000 | 421,979 | 421,979 | 773 | 773 | 421,979 | 421,979 | 421,979 |
| Short term investments | 100,000 | 200,000 | 100,000 | 100,000 | 2,312 | 2,312 | 100,000 | 100,000 | 100,000 |
| Cash and bank balances | 488,004 | 200,000 | 108,004 | 108,004 | | | 200,000 | 200,000 | 200,000 |
| | 5,473,882 | 427,444 | 5,186,488 | 5,186,488 | 848 | 848 | 5,186,488 | 488,594 | 488,594 |
| Total assets | 16,683,680 | 2,344,881 | 14,688,796 | 14,688,796 | 417,217 | | 14,688,796 | 2,537,125 | 2,537,125 |
| Liabilities and Reserves | | | | | | | | | |
| Share capital | 5,001,879 | | 5,001,879 | 5,001,879 | 500 | | 5,001,879 | 5,001,879 | 5,001,879 |
| Share premium | 154,011 | | 154,011 | 154,011 | | | 154,011 | 154,011 | 154,011 |
| Reserve for depreciation on fixed assets and goodwill | 775,087 | 124,050 | 651,037 | 651,037 | | | 651,037 | 651,037 | 651,037 |
| Reserve for depreciation on fixed assets and goodwill | 1,342,744 | | 1,342,744 | 1,342,744 | | | 1,342,744 | 1,342,744 | 1,342,744 |
| Unappropriated profit | 2,888,481 | | 2,888,481 | 2,888,481 | 62,000 | | 2,888,481 | 2,888,481 | 2,888,481 |
| Loan from government | 8,988,594 | 124,485 | 8,796,294 | 8,796,294 | 880 | | 8,796,294 | 8,796,294 | 8,796,294 |
| | 15,440,518 | 248,539 | 15,440,518 | 15,440,518 | 1,000 | | 15,440,518 | 15,440,518 | 15,440,518 |
| Long term Reserves | | | | | | | | | |
| Reserve for depreciation on fixed assets and goodwill | 800,000 | | 800,000 | 800,000 | | | 800,000 | 800,000 | 800,000 |
| Long term security deposits | 70,136 | | 70,136 | 70,136 | | | 70,136 | 70,136 | 70,136 |
| Lease liabilities | 5,458 | | 5,458 | 5,458 | | | 5,458 | 5,458 | 5,458 |
| Deferred liabilities | 822,854 | | 822,854 | 822,854 | | | 822,854 | 822,854 | 822,854 |
| | 1,678,448 | 800,000 | 1,678,448 | 1,678,448 | | | 1,678,448 | 1,678,448 | 1,678,448 |
| Current liabilities | | | | | | | | | |
| Trade and other payables | 113,778 | 87,400 | 113,778 | 113,778 | 320 | | 113,778 | 113,778 | 113,778 |
| Contract liabilities - advances from customers | 644,340 | | 644,340 | 644,340 | | | 644,340 | 644,340 | 644,340 |
| Contract liabilities - advances from customers | 384,329 | 38,073 | 384,329 | 384,329 | | | 384,329 | 384,329 | 384,329 |
| Undivided dividend | 481 | | 481 | 481 | | | 481 | 481 | 481 |
| Short term borrowings | 1,390,482 | | 1,390,482 | 1,390,482 | | | 1,390,482 | 1,390,482 | 1,390,482 |
| Current portion of non-current liabilities | 488,870 | | 488,870 | 488,870 | | | 488,870 | 488,870 | 488,870 |
| Provision for tax losses | 212,217 | | 212,217 | 212,217 | | | 212,217 | 212,217 | 212,217 |
| Taxation | 200,421 | | 200,421 | 200,421 | 90 | | 200,421 | 200,421 | 200,421 |
| Inter-Company (Shareholder)/Payable | 3,477,479 | 1,394,460 | 1,400,861 | 1,400,861 | 425 | | 1,400,861 | 1,400,861 | 1,400,861 |
| | 7,007,858 | 2,298,953 | 4,757,252 | 4,757,252 | 425 | | 4,757,252 | 4,757,252 | 4,757,252 |
| Total liabilities | 16,683,680 | 2,344,881 | 14,688,796 | 14,688,796 | 417,217 | | 14,688,796 | 2,537,125 | 2,537,125 |
| Total equity and liabilities | 16,683,680 | 2,344,881 | 14,688,796 | 14,688,796 | 417,217 | | 14,688,796 | 2,537,125 | 2,537,125 |



Hafiz



Hafiz



SCHEDULE - 4-

The Statement of Financial Position showing the Scheme Effect

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SCHEDULE-5

Net Assets Transferred to GCWL by GCL and by GPL to GCIL

| | Before Scheme Rs. 000 | to GCWL Rs. 000 | from GPL Rs. 000 | After Scheme 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) |

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

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| 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 |



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| S. No. | Name of Company | Annexure |
|--------|-----------------------------------|---------------|
| 1. | Ghani Chemical Industries Limited | Schedule-6/A |
| 2. | Ghani ChemWorld Limited | Schedule -6/B |
| 3. | Ghani Products (Private) Limited | Schedule -6/C |

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**RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS
AND SPECIAL RESOLUTIONS TO BE PASSED
BY THE RESPECTIVE MERGER/DEMERGER COMPANIES**

| Board of Directors | | Meeting date and Time |
|-----------------------------------|------|--------------------------------|
| Ghani Chemical industries Limited | GCIL | September 16, 2024 at 11:30 AM |
| Ghani Products (Private) Limited | GPL | September 16, 2024 at 12:30 AM |
| Ghani ChemWorld Limited | GCWL | September 16, 2024 at 10:00 AM |

The Board of Directors of the above named companies/entities in their respective meetings have approved the Scheme of Compromises, Arrangement and Reconstruction as follows:

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 IT'S MEMBERS)

WITH AND INTO

2. GHANI CHEMWORLD LIMITED (FOR CALCIUM CARBIDE PROJECT)
(AND IT'S MEMBERS)
3. GHANI CHEMICAL INDUSTRIES LIMITED (AS A RESIDUAL)
(AND IT'S MEMBERS)

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

GHANI PRODUCTS (PRIVATE) LIMITED
(AND IT'S MEMBERS)

WITH AND INTO

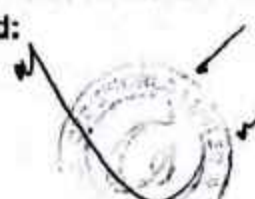
GHANI CHEMICAL INDUSTRIES LIMITED
(AND IT'S MEMBERS)

(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.

A: The Board of Directors of Merging/Demerging Companies have passed the following resolutions in their separate meetings held on November 16, 2024 as under;

1. By Ghani Chemical Industries Limited:



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RESOLVED THAT the scheme of demerger of Calcium Carbide Project of Ghani Chemical Industries Limited (GCIL/ the Company) with and into the Ghani Chemworld Limited (GCWL) and merger/amalgamation of Ghani Products (Private) Limited (GPL) with and into the Company in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017 be and is hereby approved for filing with the Honorable Lahore High Court, Lahore.

FURTHER RESOLVED THAT Hafiz Farooq Ahmad, Chief Executive Officer and Mr. Farzand Ali, Company Secretary (hereinafter referred to as the "Company") be and are hereby singly authorized and empowered to sign, submit or present necessary applications, petitions, Vakalatnama and supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger Scheme to the competent authorities including but not limited to Honorable Lahore High Court, Securities and Exchange Commission of Pakistan, Competition Commission of Pakistan (if required) and/or other regulatory authority etc."

FURTHER RESOLVED THAT any of the above stated authorized signatory be and are hereby authorized on behalf of the Company to hire and appoint Advocate(s), Attorneys & Corporate Consultants for the purpose of this suit and to prosecute or to appear in all proceedings that may be taken in respect of any application in legal matter and to file and take back documents, to instruct the counsel and to ratify all acts done by the Advocate(s) and pay all fees, expenses and other legal payments for the prosecution of petitioners and appeals.

Specimen Signatures of Authorized Signatories

Hafiz Farooq Ahmad
Chief Executive Officer

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Farzand Ali
Company Secretary

2. By Ghani Chemworld Limited:

RESOLVED THAT the scheme of demerger of Calcium Carbide Project of Ghani Chemical Industries Limited (GCIL) with and into the Ghani Chemworld Limited (GCWL/ the Company) in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017 be and is hereby approved for filing with the Honorable Lahore High Court, Lahore.

FURTHER RESOLVED THAT Atique Ahmad Khan, Chief Executive Officer and Mr. Farzand Ali, Company Secretary (hereinafter referred to as the "Company") be and are hereby singly authorized and empowered to sign, submit or present necessary applications, petitions, Vakalatnama and supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger Scheme to the competent authorities including but not limited to Honorable Lahore High Court, Securities and Exchange Commission of



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Pakistan, Competition Commission of Pakistan (if required) and/or other regulatory authority etc."

FURTHER RESOLVED THAT any of the above stated authorized signatory be and are hereby authorized on behalf of the Company to hire and appoint Advocate(s), Attorneys & Corporate Consultants for the purpose of this suit and to prosecute or to appear in all proceedings that may be taken in respect of any application in legal matter and to file and take back documents, to instruct the counsel and to ratify all acts done by the Advocate(s) and pay all fees, expenses and other legal payments for the prosecution of petitioners and appeals.

Specimen Signatures of Authorized Signatories

Hafiz Farooq Ahmad
Chief Executive Officer

Farzand Ali
Company Secretary

3. By Ghani Products (Private) Limited:

RESOLVED THAT the scheme of merger/amalgamation of Ghani Products (Private) Limited (GPL/ the Company) with and into the Ghani Chemical Industries Limited (GCIL) in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017 be and is hereby approved for filling with the Honorable Lahore High Court, Lahore.

FURTHER RESOLVED THAT Mr. Atique Ahmad Khan, Chief Executive Officer and Mr. Farzand Ali, Company Secretary (hereinafter referred to authorized signatory) of the GPL be and are hereby singly authorized and empowered to sign, submit or present necessary applications, petitions, vakalatnama and supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger Scheme to the competent authorities including but not limited to Honorable Lahore High Court, Securities and Exchange Commission of Pakistan, Competition Commission of Pakistan (if required) and/or other regulatory authority etc."

FURTHER RESOLVED THAT any of the above stated authorized signatory be and are hereby authorized on behalf of the Company to hire and appoint Advocate(s), Attorneys & Corporate Consultants for the purpose of this suit and to prosecute or to appear in all proceedings that may be taken in respect of any application in legal matter and to file and take back documents, to instruct the counsel and to ratify all acts done by the Advocate(s) and pay all fees, expenses and other legal payments for the prosecution of petitioners and appeals.

Specimen Signatures of Authorized Signatories

Hafiz Farooq Ahmad
Chief Executive Officer

Farzand Ali
Company Secretary



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Q: The Board of Directors of respective companies/corporate entities have recommended the following resolutions (that will be placed in the Statement of Information accompanying the Notice to the Members under Section 281(1)(A) / 134(3) of the Companies Act, 2017 to the respective shareholders for their approval with or without amendment/alteration as and when meeting is convened by the honorable Lahore High Court:

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 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 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 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 may 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

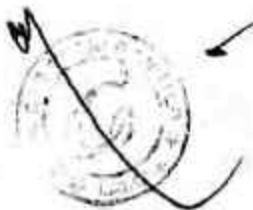
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- d) That all the employees of the Transferor Company (i.e. Ghani Products (Private) Limited), if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of 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) That 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.



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- 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) and 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:

- 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;
- 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;
- 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
- 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.



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Schedule A
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Lahore
October 10, 2024

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

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.


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

Other Offices:
Karachi, Islamabad & Multan

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*Schedule A
Annexure
Judge
20.02.25*

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

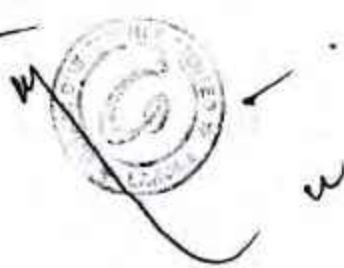
- This report has been prepared on the specific request of management for filing of Scheme of Compromises, Arrangement and Reconstruction before the Lahore High Court (LHC) and submission to Pakistan Stock Exchange.
- This agreed-upon procedures engagement is not an assurance engagement. Accordingly, 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

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Unconsolidated Statement of Financial Position as at June 30, 2024 and Allocation of Assets, Reserves and Liabilities to Calcium Carbide Project (CACP)

Schedule A
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| | | 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 |
|---|------|--|--|--|
| Assets | Note | Rupees in thousand | | |
| 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 | | 68,616 | 0 | 68,616 |
| | | 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 | 590,358 | 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 | | 2,809,851 | 0 | 2,809,851 |
| Total equity | | 9,853,574 | 124,950 | 9,728,624 |
| Non-current liabilities | | | | |
| Long term finances | 8 | 1,640,536 | 0 | 1,640,536 |
| Redeemable capital - Sukuk | | 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 | | 644,340 | 0 | 644,340 |
| 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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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 | 1,500,646 | 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. |
| | <u>1,917,437</u> | |

Schedule A
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Judge
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- As identified from the stores and spares inventory sheets of GCIL for the year ended June 30, 2024.
- Advances made to supplier of CACP. The balance has been identified from audit working paper files for the year ended June 30, 2024.
- The balance pertains to construction contractor against civil works for CACP at Hattar.
- These represent term deposit receipts held by bank as security for bills payable pertaining to CACP.
- These represent funds allocated to CACP by management on estimated basis.
- The surplus pertains to 13.34 acres leasehold land of CACP situated at Hattar.
- This redeemable capital (Sukuk) has been issued for the purpose of meeting the capital expenditure requirements of CACP at Hattar.
- These represent bills payable pertaining to CACP.
- This represents profit accrued on redeemable capital (Sukuk).
- 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.

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Schedule A
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Lahore
October 10, 2024

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

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.

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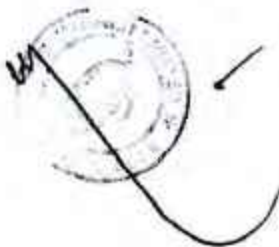
Principal Office:
HM House
7-Bank Square, Lahore.
Tel: +92 42 37235084-87
Email: lhr@hccpk.com

Other Offices:
Karachi, Islamabad & Multan

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Signature



Signature



Schedule A
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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. |

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SHINEWING HAMEED CHAUDHRI & CO.
 CHARTERED ACCOUNTANTS

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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

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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 | | 354,847 |
| Unappropriated profit | | 62,099 |
| | | 417,246 |
| Liabilities | | |
| Trade and other payables | | 99 |
| Due to related parties | | 236 |
| Provision for taxation | | 90 |
| | | 425 |
| | | 417,671 |
| Assets | | |
| Long term investments in GCIL | Note 1 | 414,607 |
| Advance tax | | 752 |
| Cash and bank balances | | 2,312 |
| | | 417,671 |

Note

- These investments will be transferred to the Directors of GPL upon proposed Reconstruction with GCIL.
- 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
 3,064

Liabilities

Trade and other payables 99
 Due to related parties 236
 Provision for taxation 90
 425

Net assets to be transferred to GCIL 2,639

No. of shares

263,900

30,000

8.80

Number of shares to be issued by GCIL of Rs.10 each $B = A/10 \times 1000$

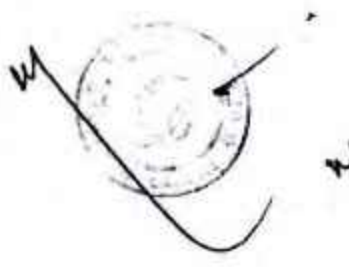
Number of issued, subscribed of paid-up shares of GPL before Reconstruction C

Swap ratio of GCIL shares with GPL shares $D = B/C$

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



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Annexure-B

| 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 | | |
| 10,568,896 | 1,917,437 | 0 | 8,651,449 | |
| 547,649 | 0 | 0 | 547,649 | |
| 1,479 | 0 | 0 | 1,479 | |
| 20,075 | 0 | 0 | 20,075 | |
| 66,616 | 0 | 0 | 66,616 | |
| 11,204,705 | 1,917,437 | 0 | 9,287,268 | |
| 362,135 | 18,814 | 0 | 343,321 | |
| 160,587 | 0 | 0 | 160,587 | |
| 2,142,223 | 0 | 0 | 2,142,223 | |
| 1,336,248 | 33,765 | 0 | 1,302,483 | |
| 590,368 | 124,865 | 0 | 465,493 | |
| 93,841 | 0 | 0 | 93,841 | |
| 516 | 0 | 0 | 516 | |
| 421,970 | 0 | 762 | 422,722 | |
| 100,000 | 100,000 | 0 | 0 | |
| 468,054 | 203,000 | 2,312 | 267,366 | |
| 5,575,932 | 480,444 | 3,064 | 5,198,552 | |
| C/F 16,880,637 | A 2,397,881 | C 3,064 | E 14,485,820 | |

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Schedule A
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20.02.25



| | 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 | Adjusted sheet of GCIL after proposed Reconstruction |
|--|--|---|--|--|
| | B/F | 16,880,637 | 2,397,881 | 3,064 |
| | | | | 14,485,820 |
| Total assets | | | | |
| 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 | 735,087 | 735,087 | 0 | 0 |
| Merger reserve | 1,342,746 | 1,342,746 | 0 | 0 |
| Unappropriated profit | 2,609,851 | (69,434) | 0 | 2,679,285 |
| Total equity | 9,853,574 | 2,172,410 | 0 | 7,681,164 |
| Non-current liabilities | | | | |
| Long term finances | 1,640,536 | 0 | 0 | 1,640,536 |
| Redeemable capital - Sukuk | 800,000 | 800,000 | 0 | 0 |
| Long term security deposits | 70,136 | 0 | 0 | 70,136 |
| Lease liabilities | 6,858 | 0 | 0 | 6,858 |
| Deferred liabilities | 832,854 | 0 | 0 | 832,854 |
| | 3,349,384 | 800,000 | 0 | 2,549,384 |
| Current liabilities | | | | |
| Trade and other payables | 313,738 | 87,400 | 335 | 226,673 |
| Contract liabilities | 644,340 | 0 | 0 | 644,340 |
| Accrued profit | 336,120 | 38,071 | 0 | 298,049 |
| Unclaimed dividend | 491 | 0 | 0 | 491 |
| 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 |
| | 3,677,879 | 125,471 | 425 | 3,552,633 |
| Total liabilities | 7,027,063 | 925,471 | 425 | 6,102,017 |
| Total equity and liabilities | 16,880,637 | 3,097,881 | 425 | 13,783,181 |
| | | A-B | C-D | E-F |
| | | | | |
| | | 700,000 | (2,639) | (702,639) |
| | | (700,000) | 0 | 700,000 |
| | | 0 | 2,639 | 2,639 |

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Difference between reserves, liabilities and assets against which shares to be issued by GCIL upon proposed Reconstruction
 Value of shares to be issued by GCIL upon proposed Reconstruction to GCWL
 Value of shares to be issued by GCIL upon proposed Reconstruction to the shareholders of GPL



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

| No of shares | Rupees in thousand |
|--------------------|--------------------|
| 500,187,938 | 5,001,879 |
| 263,900 | 2,639 |
| 70,000,000 | 700,000 |
| 570,451,838 | 5,704,518 |

Unappropriated profit as disclosed above

Revised equity of GCIL after incorporation of proposed Reconstruction adjustments

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

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

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Schedule A
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Annexure - C

| 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 | 33,765 | 0 | 33,765 |
| Deposits, prepayments & other receivables | 0 | 124,865 | 0 | 124,865 |
| 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 | 2,500,939 | 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 | (69,434) | 69,434 | 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 |

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Working - 1

Number of shares to be issued by GCIL upon proposed Reconstruction
Break-up value per share of GCIL as computed in Annexure - B
Value of investments to be incorporated in the financial statements of GCWL
(based on equity method)

| Annexure - C | |
|--------------|------------|
| Nos. | 70,000,000 |
| Rs. | 14,8968 |
| Rs. '000' | 1,028,774 |

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 | 1,342,748 |
| Unappropriated profit | (69,434) |
| Long term investments | 1,028,774 |
| Difference of assets, reserves and liabilities as computed above | (700,000) |

A 2,500,939

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 50 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.

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ADDENDDUM

to the

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)**

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(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 the other/remaining Part.



ARTICLE - 7 - ADDENDUM TO THE SCHEME

In accordance with the powers conferred in the Board of directors of the respective companies, under Article-6(i)(xi) of the Scheme, enabling them to modify the Scheme and make certain changes in the Scheme under certain circumstances, after having considered the proposal of SECP/PSX for the reconsideration of the security (i.e partially redeemable shares of GCWL or Petitioner No. 2, to be issued to the shareholders of GCIL or Petitioner No. 1), have decided to issue common shares of GCWL (Petitioner No. 2) to the shareholders of GCIL (Petitioner No. 1), through their respective Board resolutions and have decided to incorporate the following **Article - 7** to the Scheme as an Addendum:

ARTICLE - 7

1. Instead of the partially redeemable shares of GCWL (Petitioner No. 2) to be issued to the shareholders of GCIL (Petitioner No. 1) in the original Scheme, now only the common/ordinary shares of GCWL as already existing, shall be issued to the shareholders of GCIL under this Addendum to the Scheme.
2. The share entitlement ratio/SWAP ratio shall be changed as follows in accordance with the revised SWAP Computation letter:

| | |
|--------------------------------------|--|
| Share Entitlement Ratio (SWAP Ratio) | 500 shares of GCWL to be issued to the shareholders of GCIL against 1,000 shares |
|--------------------------------------|--|

3. The share position of GCWL shall be as follows:

| | Nos. | GCWL |
|--|------|-------------|
| Ordinary Shares before the Scheme | | 50,000 |
| Ordinary Shares to be issued to the shareholders of GCIL as per the SWAP Ratio | | 250,093,950 |
| Ordinary Shares after the Scheme | | 250,143,950 |

4. All Ordinary shares of Petitioner No. 2 (GCWL) shall be listed on PSX, as a consequence of demerger from Petitioner No. 1 (GCIL) and the issuance of GCWL shares to the shareholders of GCIL, under the Scheme.



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5. The pattern of shareholding of GCWL, before and after the Scheme, will be as under:

| Pattern of Shareholding | GCWL | GCWL |
|---|---------------|--------------------|
| | Before Scheme | After Scheme |
| Ghani Products (Private) Limited | - | - |
| Ghani Chemical Industries Limited | 49,993 | 49,993 |
| Ghani Global Holdings Limited | - | 139,879,150 |
| Ghani ChemWorld Limited | - | - |
| Directors, Chief Executive Officer and their Spouse(s) and Children | 7 | 46,786,150 |
| General Public/Others | - | 63,428,657 |
| | 50,000 | 250,143,950 |

6. The authorized capital and the issued capital of the companies will stand changed as follows:

Authorized Capital

| Company | Type of Share | Par Value | Authorized Capital in Rs. 000 | |
|-------------|-----------------------------|-----------|-------------------------------|------------------|
| | | Rs./share | Before Scheme | After Scheme |
| GPL | Ordinary Shares | 10.00 | 50,010 | 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 | 2,510,000 |
| GCWL | Partially Redeemable Shares | 100.00 | - | 41,010 |
| | | | 8,551,010 | 8,551,010 |



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Issued Capital

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| Company | Type of Share | Par/Nominal Value | Issued Capital in Rs. 000 | |
|---------|-----------------------------|-------------------|---------------------------|------------------|
| | | Rs./share | Before Scheme | After Scheme |
| GPL | Ordinary Shares | 10.00 | 300 | To be Cancelled |
| GCIL | Ordinary Shares | 10.00 | 5,001,880 | 5,704,519 |
| GCIL | Class B Shares | 10.00 | - | - |
| GCWL | Ordinary Shares | 10.00 | 500 | 2,501,440 |
| GCWL | Partially Redeemable Shares | 100.00 | - | - |
| | | | 5,002,680 | 8,205,959 |

7. The Authorized Share Capital of Petitioner No. 2 (GCWL) shall be as follows (after the payment of requisite share registration fee to SECP):

| Revised Share Capital | Rs. 000 | | Nos. | | Rs. 000 | | Nos. | |
|-----------------------------|--------------|-------------|------------|-----------|--------------|-------------|------|--|
| | Under Scheme | | Additional | | Total Impact | | | |
| Ordinary Shares | 2,510,000 | 251,000,000 | 90,000 | 9,000,000 | 2,600,000 | 260,000,000 | | |
| Partially Redeemable Shares | 41,010 | 410,100 | 958,990 | 9,589,900 | 1,000,000 | 10,000,000 | | |

8. The Board of Directors of Petitioner No. 2 (GCWL), under the powers vested in them, have also decided to make the following consequential changes in the Memorandum of Association of the Company, to take effect after the Sanction date:

"The authorized capital of the Company is Rs. 3,600,000,000 /- (Rupees Three Thousand Six Hundred Million only) divided into 260,000,000 ordinary shares of Rs. 10/- each and 10,000,000 partially redeemable shares of Rs. 100/- each (with par/nominal value divided into redeemable portions of Rs. 90/- per share and irredeemable portion of Rs. 10/- per share)."

9. The rest of the terms and conditions shall be the same as already stipulated in the Scheme.



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January 21, 2025

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

Dear Sir,

Report on Revised Swap Ratio of Ghani Chemical Industries Ltd. (GCIL) and Ghani ChemWorld Ltd. (GCWL)

In continuation of our '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.' bearing reference no.15923/G-59/2024 dated October 10, 2024, the Board of Directors of GCIL in their meeting held on January 21, 2025 has decided to issue 500 ordinary shares of Rs.10 each of GCWL against 1,000 ordinary shares of GCIL of Rs.10 each. Previously, the Board of Directors of GCIL in their meeting held on September 16, 2024 had decided to issue and allot 50 partially redeemable shares of Rs.100 each of GCWL against 1,000 ordinary shares of GCIL of Rs.10 each.

The aforementioned change in swap ratio has been made as advised by the Securities and Exchange Commission of Pakistan vide its letter bearing reference no. ARL / 779 dated January 13, 2025 addressed to the Deputy Registrar (Commercial), Lahore High Court, Lahore.

Addendum to SWAP Ratio Report

As per Annexure - C of the report dated October 10, 2024

Rs. '000

Assets, reserves and liabilities to be transferred
by GCIL upon proposed Reconstruction

2,397,881

Value of investments to be incorporated in the
financial statements of GCWL (based on equity method)

1,028,774

3,426,655

Less : liabilities to be transferred by GCIL upon proposed Reconstruction

(925,471)

Net assets to be transferred to GCWL

2,501,184

Ordinary shares of Rs.10 each to be issued by GCWL
to the shareholders of GCIL

No. of Shares

(a) 250,093,950

Balance shares of GCIL

(b) 600,451,838

Proposed shares to be issued by GCWL to the shareholders
of GCIL for every 1,000 shares (Swap Ratio)

(a)/(b)*1000 500

This report should be read in the context of our aforementioned report dated October 10, 2024; except for the aforementioned change, all the assumptions and basis contained in that report are intact.

Yours truly,

ShineWingHameedChaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

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

Other Offices:
Karachi, Islamabad, Faisalabad

www.hccpk.com
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