

GHANI CHEMWORLD LIMITED
REVIEWED FINANCIAL STATEMENT
FOR THE PERIOD ENDED 20 FEBURARY 2025

INDEPENDENT PRACTITIONER'S REVIEW REPORT
TO THE MEMBERS OF GHANI CHEMWORLD LIMITED
REPORT ON THE FINANCIAL STATEMENTS

We have reviewed the accompanying financial statements of Ghani ChemWorld Limited (hereinafter called "the Company"), which comprise the statement of financial position as at February 20, 2025, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period (from its incorporation on July 31, 2024 to February 20, 2025) then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Ghani ChemWorld Limited as at February 20, 2025, and of its financial performance and cash flows for the period (from its incorporation on July 31, 2024 to February 20, 2025) then ended, in accordance with the International Financial Reporting Standards.

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Other matter Paragraph

On the request of management of the Company, we have conducted special purpose review, and our review is not a statutory review. Our report is intended solely for Ghani ChemWorld Limited for its internal use only.



Ilyas Saeed & Co.
Chartered Accountants
Lahore

Dated: March 17, 2025

Ghani ChemWorld Limited
Statement of Financial Position (Un-audited)
As at February 20, 2025

	Note	February 20, 2025 Rupees
ASSETS		
Non-current assets		-
Current assets		
Advance income tax		3,757
Loan and Advances		15,560
Cash and Bank Balance	4	246,634
		265,951
TOTAL ASSETS		265,951
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital	5	1,000,000
Issued, subscribed and paid up share capital	6	500,000
Accumulated Profit		(237,387)
		262,613
Non-current liabilities		-
Current liabilities		
Other payables		3,338
TOTAL EQUITY AND LIABILITIES		265,951
CONTINGENCIES AND COMMITMENTS	7	-

The annexed notes 1 to 18 form an integral part of these interim financial statements.

ISCO

Chief Executive

Director

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Ghani ChemWorld Limited
Statement of Profit or Loss (Un-audited)
For the period ended February 20, 2025

		July 31, 2024 to February 20, 2025 Rupees
	Note	
Sales		-
Cost of sales		-
Gross profit / (loss)		-
Administrative and general expenses	8	(237,435)
Other Income	9	48
Loss before taxation		(237,387)
Taxation	10	-
Loss after taxation		(237,387)
Earnings/(loss) per share - basic and diluted	11	(4.75)

The annexed notes 1 to 18 form an integral part of these interim financial statements.

ISCO

Chief Executive

Director

Ghani ChemWorld Limited
Statement of Comprehensive Income (Un-audited)
For the period ended February 20, 2025

	July 31, 2024 to February 20, 2025 Rupees
Loss after taxation	(237,387)
Other comprehensive income	-
Total comprehensive loss for the period	(237,387)

The annexed notes 1 to 18 form an integral part of these interim financial statements.

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Chief Executive

Director

Ghani ChemWorld Limited
Statement of Changes in Equity (Un-audited)
For the period ended February 20, 2025

	Share Capital	Accumulated loss	Total
	----- Rupees -----		
Balance at July 31, 2024	-	-	-
50,000 shares issued @ Rs 10/- July 31, 2024	500,000	-	500,000
Total comprehensive loss from July 31, 2024 to February 20, 2025	-	(237,387)	(237,387)
Balance as on February 20, 2025	500,000	(237,387)	262,613

The annexed notes 1 to 18 form an integral part of these interim financial statements.

ISCO

Chief Executive

Director

Ghani ChemWorld Limited
Statement of Cash Flows (Un-audited)
For the period ended February 20, 2025

	Note	February 20, 2025 Rupees
CASH GENERATED FROM OPERATIONS		
Profit before taxation		(237,387)
Cash flows from working capital changes:		
<i>Increase / (decrease) in current liabilities:</i>		
Loan and advances		(15,560)
Other payables		3,338
Cash used in operations		(249,609)
Income tax paid		(3,757)
Cash used in operating activities		(253,366)
Cash flows from financing activities		
Share issued during the year		500,000
Net increase in cash and cash equivalents		246,634
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at the end of the period		246,634

The annexed notes 1 to 18 form an integral part of these interim financial statements.

ISCo

Chief Executive

Director

Ghani ChemWorld Limited
Notes to the Financial Statements
For the period ended February 20, 2025

1 THE COMPANY AND ITS OPERATIONS

Ghani ChemWorld Limited (the Company) having CUI No. 0265009 was incorporated in Pakistan under the Companies Act, 2017 as a limited company on July 31, 2024.

The principal line of business of the company is to manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, buy, import, export or otherwise deal in all types of chemicals, basic drugs, all types of acids, methanol, polymers, PVC's, gases, all types of oxides, resins, salts, compounds, calcium carbide, methane and methane based products, plastics, ores, CaCO₃ precipitated, plant extracts, pesticides and their intermediates, laboratory and scientific chemicals capable of being used in the foods, pharmaceuticals, textiles, agriculture, fertilizers, petrochemicals, glass and ceramic industries, tiles, poultry feeds, cattle feeds, rubbers and paints, chemicals and compounds thereof including gypsum, coke, dissolve acetylene (DA), black carbon, quartz, silicon, earth, rock phosphate, soap- stone or any other industry and trade or laboratory including all types of industrial raw materials, chemicals and/or any other mixture, derivatives and compound related

The registered office of the Company is located 10-N, Model Town Extension, Lahore.

The Company is a wholly owned Subsidiary of Ghani Chemical Industries Limited, which holds 49,993 ordinary shares of the Company representing 99.99% of its paid-up capital as at reporting date.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- Revised Accounting and Financial Reporting Standards for Small-Sized Entities (Revised AFRS for SSEs) issued by Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017: and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency.

2.4 Critical accounting estimates, assumptions and judgments

The estimates and underlying assumptions are reviewed on on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

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Assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are set out below:

3.01 Property, plant and equipment

a) Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses (if any) except freehold land which is stated at cost and fully depreciated assets which are carried at residual value. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains/losses on disposal of fixed assets are included in current year's statement of profit or loss.

Subsequent costs included in the asset's carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost of the item can be measured reliably. All other repair and maintenance cost are charged to the statement of profit or loss during the year in which these are incurred.

b) Depreciation

Depreciation is charged to statement of profit or loss by applying reducing balance method to write off the cost over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from property, plant and equipment. Depreciation on additions is charged from the date in which the asset was available for use up to the month prior to disposal. The residual values, depreciation method and useful lives of property, plant and equipment are reviewed by the management, at each financial year-end and adjusted if appropriate.

3.02 Financial instruments

a) Recognition and measurement

Financial assets and liabilities are initially recognized at fair value, adjusted for transaction costs. Subsequent measurement is at fair value except for loans, receivables, held to maturity instruments and other financial liabilities, which are measured at amortized cost.

b) De-recognition

Financial assets are de-recognized when the Company loses control of the contractual right that comprise the financial assets. Financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is charged to profit or loss account.

3.03 Short term investments

Short Term Equity investments are measured at Fair Value through Profit & Loss Account.

3.04 Long term investments

Equity investments are stated at cost less impairment losses, if any.

3.05 Trade Receivables

Trade receivables are recognized and carried at original invoice value less any allowance for uncollectible amounts. An estimated provisions for doubtful debts is made when there is objective evidence that collection of the full amount is no longer probable. The amount of provision is charged to statement of comprehensive income. Bad debts are written off as incurred.

3.06 Accrued and other liabilities

Liabilities for trade and other payables are carried at cost, which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

3.07 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise of cash in hand, balances with banks on current and saving accounts.

3.08 Share Capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.09 Related party transactions and transfer pricing

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length.

3.10 Revenue recognition

Revenue is recognized to the extent the Company has delivered goods or rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue is measured at the fair value of the consideration received or receivable, exclusive of sales tax and trade discounts.

3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.12 Taxation***Current***

Provision for current taxation is based on applicable current rates of taxation after taking into account tax credits and rebates available, if any, under the provisions of Income Tax Ordinance, 2001. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

3.13 Foreign currency transactions

Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rate prevailing at the balance sheet date. Exchange differences if any, are taken to statement of profit or loss.

3.14 Impairment

At year end the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

3.15 Offsetting

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforcement right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the assets and the liabilities simultaneously.

3.16 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

February 20, 2025

Rupees

4 CASH AND BANK BALANCE

Cash at bank - Saving account
Cash in hand

246,634

-

246,634

5 AUTHORISED SHARE CAPITAL

100,000 Ordinary shares at Rs. 10 each

1,000,000

6 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

50,000 Ordinary shares of Rs. 10 each fully paid in cash

500,000

6.1 Distribution of shares**Number of shares**

Ghani Chemical Industries Limited

Number

49,993

Sponsors

Masroor Ahmad Khan

Number

1

Atique Ahmad Khan

Number

1

Hafiz Farooq Ahmad

Number

1

Rabia Atique

Number

1

Saira Farooq

Number

1

Abdullah Ahmed

Number

1

Umer Ahmad

Number

1

50,000

Ghani Chemical Industries Limited (The Holding Company) holds 99.99% shares in the Company.

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments to report at the reporting date.

July 31, 2024

to

February 20, 2025

Rupees

8 ADMINISTRATIVE AND GENERAL EXPENSES

Fee and subscription

57,485

Communication

19,950

Printing & Stationery

160,000

237,435

9 OTHER INCOME

Profit from Banks

48

48

10 TAXATION

No provision for taxation has been made as the Company has not earned any revenue during current year.

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July 31, 2024
to
February 20, 2025
Rupees

11 EARNINGS/(LOSS) PER SHARE

Loss attributable to ordinary shareholders	Rupees	<u>(237,387)</u>
Weighted average number of ordinary shares outstanding during the year	Number	<u>50,000</u>
Earnings/(Loss) per share-basic and diluted	Rupees	<u><u>(4.75)</u></u>

- 11.1** There is no dilutive effect on the basic earnings/(loss) per share of the Company as the Company has no such commitments.

12 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent, subsidiary and associated companies, directors of the Company, companies in which directors also hold directorship, key management personnel. Transactions with related parties other than those disclosed elsewhere are as follows:

February 20, 2025
Rupees

Name of related party	Nature of relationship	Nature of transaction	
Ghani Chemical Industries Ltd.	Holding Company	Shares issued against cash	<u>500,000</u>

- 12.1** All transactions with related parties are carried out at an arms length.

February 20, 2025
Rupees

13 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**Financial instruments by category****Financial assets****At amortised cost**

Bank balances

246,634

Financial liabilities**At amortised cost**

Other payables

3,338

Financial Risk Factors

The Company has not started operations as at year end so there is no market risk, liquidity risk except credit risk due to bank balance.

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, credit risk and investment of excess liquidity, provided by the board of directors.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of finished goods stock mainly denominated in U.S. \$. The Company is not exposed to foreign currency risk as at February 20, 2025 as it has no foreign currency financial instrument at the respective reporting dates.

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Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market profit rates. At the reporting date, the profit rate profile of the Company's profit bearing financial instruments is as follows:

	February 20, 2025	February 20, 2025
	Effective rates per annum	Carrying amount
Fixed rate instruments		
Cash at bank - Saving account	7.27%	246,634

Fair value sensitivity analysis for fixed rate instruments

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

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from balances with banks. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

Exposure to credit risk

The maximum exposure to credit risk as at February 20, 2025 is tabulated below:

Exposure to credit risk	February 20, 2025 Rupees
The maximum exposure to credit risk as at February 20, 2025 is tabulated below:	
Bank balances	246,634

Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings. Credit quality of the Company's bank balance can be assessed with reference to external credit ratings as follows:

Bank Name	Rating Agency	Short Term	Long Term
Al-Baraka Bank (Pakistan) Ltd.	VIS	A-1	A+
			246,634

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at year end February 20, 2025 Company is not exposed to any Liquidity Risk.

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14 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES REMUNERATION

No amount charged to statement of profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits.

15 NUMBER OF EMPLOYEES

The Company does not employ any person during the reporting period.

16 DATE OF AUTHORIZATION FOR ISSUE

The board of directors of the company authorized these financial statements for issue on March 17, 2025.

17 GENERAL

Figures have been rounded off to the nearest rupee.

18 CORRESPONDING FIGURES

Corresponding figures have not been presented because current period is the first year of operations since incorporation of the Company.

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Chief Executive

Director