

PARTNERS IN  
PROGRESS



# HALF YEARLY **REPORT**

DECEMBER 31, 2024  
(UN-AUDITED)

Descon Oxychem Limited



## VISION

Winning together with our customers, our ambition is to enhance local and regional footprint while delivering sustainable value to all stakeholders.

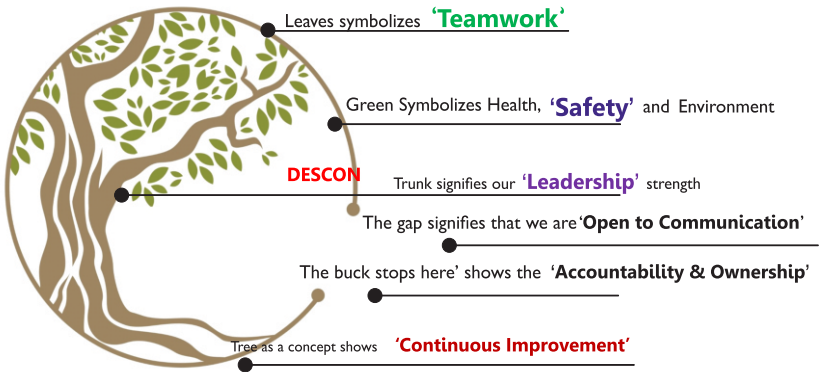


## MISSION

We are determined to:

- Strengthen our domestic market leadership position
- Establish a footprint in new segments & regional markets
- Achieve success through winning together with our customers driven by best cost propositions, motivated people and effective teamwork

# Our Core Values



## Continuous Improvement

"We believe excellence is a commitment to improve everything we do all the time."



## Leadership

"We believe leaders inspire others to learn and achieve more."



## Accountability and Ownership

"We believe in taking responsibility for our decisions, actions and their results."



## Team Work

"We believe in the strength of the individual, yet we accomplish more by working together."



## Open Communication

"We believe open communication is the foundation of trust."



## Safety

"We believe HSE is of utmost importance and we attach the highest value to the safety of our employees and stakeholders."



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## Company Information

### Board of Directors

Faisal Dawood	Chairman
Taimur Dawood	Non-Executive Director
Mehreen Dawood	Non-Executive Director
Farooq Nazir	Non-Executive Director
Asif Qadir	Non-Executive Director
Jehanzeb Khan	Independent Director
Muhammad Zahir	Independent Director
Muhammad Mohsin Zia	Chief Executive Officer

### Muhammad Rizwan Kaisar

Chief Financial Officer

### Abdul Sohail

Company Secretary

### Auditors

M/s Crowe Hussain Chaudhury & Co.  
Chartered Accountants

### Internal Auditors

M/s KPMG Taseer Hadi & Co.  
Chartered Accountants

### Legal Advisors

M/s Hassan & Hassan Advocates

### Bankers

Allied Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
Habib Metropolitan Bank Limited  
The Bank of Punjab  
Meezan Bank Limited

### Share Registrar

M/s Corplink (Pvt) Limited  
Wings Arcade, 1-K Commercial Area,  
Model Town, Lahore-53000  
Tel: +92 42 35887262, 35839182  
Fax: +92 42 35869037

### Registered Office

Descon Headquarter  
18-KM Ferozepur Road  
Lahore-53000 Pakistan.  
Tel: +92 42 35923721-9

### Plant Site

18-KM Lahore - Sheikhpura Road,  
Lahore, Pakistan.  
Tel: +92 42 37971822-24  
Fax: +92 42 3797 1834

### Web Presence

Updated Company's Information  
together with the latest Annual Report  
can be accessed at Descon's website,  
[www.desconoxychem.com](http://www.desconoxychem.com)

## DIRECTORS REPORT TO THE SHAREHOLDERS

For the six months ended December 31, 2024

The Board of Directors of the company are pleased to present the six months report along with the Financial Statements for the period ended December 31, 2024.

Your company has outperformed the previous period, benefiting from strong demand, improved pricing, and better planning. Strategic volume placement and an optimized pricing strategy have further enhanced profitability. The summarized financial performance is provided below.

### Financial Highlights

	Quarter ended		Half year ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees in '000'		Rupees in '000'	
Sales	1,683	1,404	3,197	2,903
Cost of goods sold	(1,085)	(1,204)	(2,173)	(2,315)
Gross profit	599	200	1,024	588
Profit from operations	494	166	784	488
EBITDA	588	259	989	681
Profit before taxation	492	160	779	474
Tax	(186)	(91)	(283)	(205)
Profit for the period	306	69	496	269
Earnings per share – Basic	1.75	0.40	2.83	1.53

Your company generated an EBITDA of PKR 989 million vs PKR 681m in the corresponding period last year. In addition, the company delivered a net profit of PKR 496 million during the six months compared with a net profit of PKR 269 million in the corresponding period last year. The increase in profitability is driven by higher and better volume placement.

Prices continue to face downward pressure on an international scale, with Southeast Asian and South Asian markets experiencing an oversupply situation. The textile industry, particularly in Asian markets, is seeing lower capacity utilization. However, the markets for paper processing and other sectors are exhibiting a more positive outlook.

With the improving economic environment, stable exchange rates, lower interest rates, and the government's export-oriented policies, the company anticipates enhanced sales and profitability in the medium term. Beyond the current market demand, the company is also concentrating on expanding into new segments, including sugar treatment and cosmetic applications.

The company's cash flows generated from operations have been PKR 951 million vs PKR 321 million in the corresponding period last year mainly due to high prices and increased volume. In line with the profitability, the company has also contributed to the national exchequer to Rs. 283 million as compared to Rs. 205 million prior period.

### Future Outlook

The key challenges facing the company include high energy costs, the misuse of EFS status, and the downward price trend of hydrogen peroxide in the international market. However, robust growth is being observed in textile exports, and exporters remain optimistic about future orders. The recent Heimtextil event has led to significant export orders being secured for the home textile and towel industries, with expectations that the capacity utilization in the textile sector will increase.

In response, the company is actively working to improve its cost of production. Initiatives include transitioning towards sustainable and renewable energy, as well as focusing on excellence in manufacturing and procurement processes. Additionally, the company is exploring opportunities beyond domestic markets and continues to evaluate and pursue options that align with its long-term strategic objectives.

We would like to thank all stakeholders for their contribution and support. For and on behalf of the Board

Lahore  
February 18, 2025

  
CHIEF EXECUTIVE

  
DIRECTOR

## ڈائریکٹرز رپورٹ برائے حصص داران

لاہور  
17 اکتوبر 2024ء

*Samir*  
ڈائریکٹر

*Chin*  
چیف ایگزیکٹو



# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DESCON OXYCHEM LIMITED

## Introduction

We have reviewed the accompanying condensed, interim, unconsolidated statement of financial position of **Descon Oxychem Limited** ("the Company") as at December 31, 2024 and the related condensed, interim, unconsolidated statement of profit or loss, the condensed, interim, unconsolidated statement of comprehensive income, the condensed, interim, unconsolidated statement of changes in equity, and the condensed, interim, unconsolidated statement of cash flows, and notes to the condensed, interim, unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "Interim financial statements"). Management is responsible for the preparation and presentation of these condensed, interim, unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

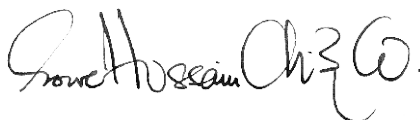
## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed, interim, unconsolidated financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## Other Matter

The figures of the condensed, interim, statement of profit or loss and the condensed, interim, statement of comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

The engagement partner on the resulting in this independent auditor's review report is Amin Ali.



**CROWE HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*

LAHORE  
Dated: February 18, 2025  
UDIN:

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UN-AUDITED) AS AT DECEMBER 31, 2024**

		<b>December 31, 2024</b>	<b>June 30, 2024</b>
	Note	(Un-audited) --- Rupees in	(Audited) Thousands---
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital			
300,000,000 (June 30, 2024: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000
Issued, subscribed and paid up capital of			
175,031,084 (June 30, 2024: 175,031,084) ordinary shares of Rs. 10 each		1,750,311	1,750,311
Share premium		3,022	3,022
Unappropriated profit		1,536,006	1,427,127
		3,289,339	3,180,460
<b>Non Current Liabilities</b>			
Long term financing	5	75,569	86,405
Deferred grant		8,201	10,814
Deferred tax liability		222,890	204,072
		306,660	301,291
<b>Current Liabilities</b>			
Trade and other payables	6	685,144	585,834
Accrued finance costs		632	1,241
Finances under mark up arrangements - secured		99,878	-
Current portion of non current liabilities		28,896	28,896
Dividend payable		14,892	11,243
Income tax payable - net		3,161	-
		832,603	627,214
<b>Contingencies and Commitments</b>	7	-	-
<b>Total Equity and Liabilities</b>		<b>4,428,602</b>	<b>4,108,965</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

		<b>December 31, 2024</b>	<b>June 30, 2024</b>
	Note	(Un-audited) --- Rupees in	(Audited) Thousands---
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	8	1,850,186	1,992,978
Intangible assets		13,385	16,404
Long term investment		1,964	1,964
Long term loans		3,500	4,483
Long term deposits		15,377	20,204
		1,884,412	2,036,033
<b>Current Assets</b>			
Stores and spares	9	570,347	523,937
Stock in trade	10	534,513	631,425
Trade debts		373,715	321,461
Loans, advances, deposits, prepayments and other receivables		72,298	53,209
Short term investment	11	676,472	140,055
Tax refund due from the government		-	127,530
Bank balances		316,845	275,315
		2,544,190	2,072,932
<b>Total Assets</b>		<b>4,428,602</b>	<b>4,108,965</b>



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



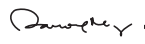
DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

		<b>Half Year Ended December 31,</b>		<b>Quarter Ended December 31,</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	Note	--- Rupees in Thousands ---			
Sales	12	3,154,992	2,899,445	1,656,233	1,401,044
Cost of sales	13	(2,169,670)	(2,314,703)	(1,081,256)	(1,203,505)
<b>Gross Profit</b>		985,322	584,742	574,977	197,539
Administrative expenses		(113,098)	(98,943)	(60,586)	(51,473)
Distribution and selling costs		(92,705)	(91,027)	(39,214)	(45,151)
Other income		49,947	127,909	34,552	74,384
Other operating expenses		(84,116)	(36,943)	(39,476)	(11,913)
		(239,972)	(99,004)	(104,724)	(34,153)
<b>Operating Profit</b>		745,350	485,738	470,253	163,386
Finance cost		(4,831)	(12,916)	(1,443)	(5,921)
<b>Profit before Levy and Taxation</b>		740,519	472,822	468,810	157,465
Levy / final taxation		-	(1,473)	-	(415)
<b>Profit before Taxation</b>		740,519	471,349	468,810	157,050
Taxation		(281,578)	(205,401)	(185,519)	(90,917)
<b>Net Profit for the Period</b>		458,941	265,948	283,291	66,133
<b>Earnings per Share - Basic and Diluted</b>	14	2.62	1.52	1.62	0.38

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).


**CHIEF EXECUTIVE**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	--- Rupees in Thousands ---			
<b>Net Profit for the Period</b>	458,941	265,948	283,291	66,133
<b>Other comprehensive income</b>				
Items that will not be re-classified to profit or loss	-	-	-	-
Items that may be re-classified to profit or loss	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<u>458,941</u>	<u>265,948</u>	<u>283,291</u>	<u>66,133</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

Particulars	Issued, Subscribed and Paid up Capital	Reserves		Total
		Share Premium	Unappropriate d Profit	

--- Rupees in Thousands ---

<b>Balance as at July 1, 2023</b>	1,750,311	3,022	1,306,150	3,059,483
Net profit for the period	-	-	265,948	265,948
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	265,948	265,948
<b>Transactions with owners</b>				
Final dividend for the year ended June 30, 2023 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
<b>Balance as at December 31, 2023</b>	<u>1,750,311</u>	<u>3,022</u>	<u>1,222,036</u>	<u>2,975,369</u>
<b>Balance as at July 1, 2024</b>	1,750,311	3,022	1,427,127	3,180,460
Net profit for the period	-	-	458,941	458,941
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	458,941	458,941
<b>Transactions with owners</b>				
Final dividend for the year ended June 30, 2024 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
<b>Balance as at December 31, 2024</b>	<u>1,750,311</u>	<u>3,022</u>	<u>1,536,006</u>	<u>3,289,339</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

		Half Year Ended December 31,	
		2024	2023
	Note	--- Rupees in Thousands ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	15	1,020,419	304,728
Finance cost paid		(5,440)	(7,834)
Taxes paid		(132,069)	(677,996)
Profit on deposits received		13,673	16,406
Long term deposits		4,827	-
		(119,009)	(669,424)
Net Cash Generated from / (Used in) Operating Activities		901,410	(364,696)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(84,684)	(103,960)
Proceeds from disposal of property, plant and equipment		3	36
Short term investments purchased		(953,109)	(383,214)
Short term investments redeemed		437,894	1,055,000
Net Cash (Used in) / Generated from Investing Activities		(599,896)	567,862
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances repaid		(13,449)	(13,922)
Lease liabilities paid		-	(12,398)
Finances under mark up arrangements - secured		99,878	113,993
Dividends paid		(346,413)	(346,885)
Net Cash Used in Financing Activities		(259,984)	(259,212)
Net Increase / (Decrease) in Cash and Cash Equivalents		41,530	(56,046)
Cash and cash equivalents at the beginning of the period		275,315	248,357
Cash and Cash Equivalents at the End of the Period		316,845	192,311

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

**1. The Company and its operations**

- 1.1** Descon Oxychem Limited (the Company) was incorporated in Pakistan as a private limited Company on November 12, 2004 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and was later converted into a public limited company. On September 15, 2008, the Company was listed on Pakistan Stock Exchange.
- 1.2** The Company is a subsidiary of DEL Chemicals (Private) Limited (the parent company) an unlisted private company incorporated in Pakistan and is principally engaged in manufacturing, procurement and sale of hydrogen peroxide and allied products.
- 1.3** The Company has incorporated a wholly owned subsidiary "Descon Oxychem FZE" in Hamriyah Free Zone, Sharjah, UAE that is engaged in import, export and trading of chemicals & related products, detergents & disinfectants, water treatment & purification chemicals and raw materials.
- 1.4** 'The Company is domiciled in Pakistan and its geographical location and addresses are as under:

**Business Unit**

**Geographical Location**

Head office / Registered Office  
Production Plant / Factory

18-KM Ferozepur Road, Lahore  
18- KM, Lahore-Sheikhupura Road, Lahore

**2. Basis of Preparation**

**2.1 Statement of compliance**

- 2.1.1** These condensed, interim, unconsolidated financial statements of the Company (un-audited) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.1.2** These condensed, interim, unconsolidated financial statements comprise of the condensed, interim, unconsolidated statement of financial position of the Company (un-audited), as at December 31, 2024 and the related condensed, interim, unconsolidated (un-audited) statement of profit or loss, the condensed, interim, unconsolidated (un-audited) statement of comprehensive income, the condensed, interim, unconsolidated (un-audited) statement of changes in equity and the condensed, interim, unconsolidated statement of cash flows (un-audited) together with the notes forming part thereof.
- 2.1.3** These condensed, interim, unconsolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited, annual financial statements for the year ended June 30, 2024.



- 2.1.4** These condensed, interim, unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); these are, however, subject to limited scope review by external auditors as required by the Act and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).

## **2.2 Functional and presentation currency**

These condensed, interim, unconsolidated financial statements are presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest Rupees in thousands, unless otherwise stated.

## **3. Material Accounting Policy Information**

Material accounting policy information and methods of presentation of these condensed, interim, unconsolidated financial statements (un-audited) are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2024.

## **4. Judgments and Estimates**

The preparation of these condensed, interim, unconsolidated financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## **5. Long Term Financing**

		<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>--- Rupees in Thousands ---</b>	
<b>Secured:</b>			
Allied Bank Limited	5.1	112,666	126,115
Less: Deferred grant		<u>(13,706)</u>	<u>(16,944)</u>
		98,960	109,171
Less: Current portion shown under current liabilities		<u>(23,391)</u>	<u>(22,766)</u>
		<u><b>75,569</b></u>	<u><b>86,405</b></u>

### **5.1 Temporary Economic Refinance Facility (TERF)**

This represents the outstanding balance of the SBP's Temporary Economic Refinance Facility (TERF) obtained from Allied Bank Limited for capacity expansion of the Company's existing Hydrogen Peroxide plant. This loan is secured against first pari passu charge over all present and future fixed assets (plant and machinery) of the Company amounting to Rs. 880 million and ranking charge over present and future fixed assets (plant and machinery) of the Company amounting to Rs. 22 million.

#### **Terms of markup**

The facility carries markup at SBP rate plus 1% per annum (June 30, 2024: SBP rate plus 1% per annum) payable quarterly in arrears.

#### **Terms of repayment**

Temporary Economic Refinance Facility (TERF) is repayable in twenty equal quarterly installments till May 16, 2029.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	<b>December 31, 2024</b>	<b>June 30, 2024</b>
	(Un-audited)	(Audited)
	--- Rupees in Thousands ---	
<b>6. Trade and Other Payables</b>		
Trade creditors	171,786	129,057
Contract liabilities	68,454	85,724
Accrued liabilities	311,727	294,706
Worker's (profit) participation fund	83,731	43,963
Worker's welfare fund	33,708	18,666
Other liabilities	13,848	11,947
Provident fund payable	1,890	1,771
	<u>685,144</u>	<u>585,834</u>

**7. Contingencies and Commitments**
**7.1 Contingencies**

The Honorable Supreme Court of Pakistan ('HSCP') in its decision dated August 13, 2020 held that Gas Infrastructure Development Cess (GIDC), as initially levied through Gas Infrastructure Development Cess Act, 2011 and modified via different notifications issued from time to time and thereafter re-levied through the Gas Infrastructure Development Cess Ordinance, 2014, stands payable to SNGPL in twenty four (24) equal monthly installments with immediate effect.

Pursuant to the order of the HSCP, Sui Northern Gas Pipelines Limited ('SNGPL') raised a demand for the collection of the GIDC arrears. The Company filed a writ petition under article 199 of the Constitution of Islamic Republic of Pakistan, 1973 in the Honorable Lahore High Court ('HLHC') against the demand raised, pleading that demanding arrears of GIDC are illegal, unlawful and ultra vires to the first proviso to section 8 (2) of the Gas Infrastructure Development Cess Act, 2015. The writ petition was decided in favor of the Company by HLHC vide its order dated June 17, 2021. SNGPL filed an intra court appeal in HLHC which was decided against SNGPL vide order of HLHC dated September 21, 2022.

The Company's legal advisor is of the opinion that the judgement does not apply to arrears under the Gas Infrastructure Development Cess Act, 2011 and Gas Infrastructure Development Ordinance 2014 that are, in terms of first proviso of section 8 (2) of the Gas Infrastructure Development Cess Act, 2015, not to be collected. The applicability of first provision of section 8 (2) is subject to the determination by High Level Committee ('Committee') of SNGPL. The decision has not been made by the Committee on its applicability and the amount to be paid by the Company. Accordingly, the Company has not recognized the estimated provision of Rs. 55.32 million (June 30, 2024: Rs. 55.32 million) in these financial statements. However, the Company has provided guarantee of Rs. 55.32 million (June 30, 2024: Rs. 55.32 million) to SNGPL.

**7.2 Commitments**

The Company has commitments in respect of letters of credit amounting to Rs. 625.667 million (June 30, 2024: Rs. 158.549 million).

8.	Property, Plant and Equipment	Note	December 31, 2024	June 30, 2024
			(Un-audited) --- Rupees in Thousands ---	(Audited)
	Owened assets	8.1	1,715,742	1,843,325
	Capital work in progress		71,848	58,447
	Major spare parts, catalysts and standby equipment		62,596	91,206
			<u>1,850,186</u>	<u>1,992,978</u>
8.1	<b>Owened assets</b>			
	Opening written down value		1,843,325	2,068,782
	Additions during the period / year		78,590	156,487
	Disposals during the period / year		-	(985)
			<u>1,921,915</u>	<u>2,224,284</u>
	Depreciation charge for the period / year		<u>(206,173)</u>	<u>(380,959)</u>
			<u>1,715,742</u>	<u>1,843,325</u>
9.	<b>Stores and Spares</b>			
	General stores and spares		273,848	243,170
	General stores and spares in transit		35,045	24,499
	Working solution		264,899	259,713
			<u>573,792</u>	<u>527,382</u>
	Less: Provision for obsolescence	9.1	<u>(3,445)</u>	<u>(3,445)</u>
			<u>570,347</u>	<u>523,937</u>
9.1	<b>Provision for obsolescence</b>			
	Opening balance		3,445	3,445
	Provision for the period / year		-	-
			<u>3,445</u>	<u>3,445</u>
	Less: Stores written off		-	-
	Balance as at December 31,		<u>3,445</u>	<u>3,445</u>
10.	<b>Stock in Trade</b>			
	Raw materials		347,544	464,897
	Raw materials in transit		62,029	29,672
	Packing materials		27,119	17,994
	Finished goods			
	- purchased for resale		-	638
	- own manufactured		103,715	118,224
			<u>540,407</u>	<u>631,425</u>
	Less: Provision for obsolescence	10.1	<u>(5,894)</u>	<u>-</u>
			<u>534,513</u>	<u>631,425</u>
10.1	<b>Provision for obsolescence</b>			
	Opening balance		-	-
	Provision for the period / year		5,894	-
			<u>5,894</u>	<u>-</u>
	Less: Stock in trade written off		-	-
	Balance as at December 31,		<u>5,894</u>	<u>-</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

### 11. Short Term Investment

	December 31, 2024 (Un-audited) --- Rupees in Thousands ---	June 30, 2024 (Audited)
NBP Money Market Fund 61.952 million units (June 30, 2024: 8.369 million units)	676,472	83,760
NBP Cash Fund Nil (June 30, 2024: 5.624 million units)	-	56,295
	<u>676,472</u>	<u>140,055</u>

### 12. Sales

	Half Year Ended December 31, 2024	2023	Quarter Ended December 31, 2024	2023
	----- (Un-audited) ----- --- Rupees in Thousands ---			
Gross sales:				
- Local	3,660,657	3,329,354	1,928,913	1,642,343
- Export	133,597	147,314	60,028	41,472
	<u>3,794,254</u>	<u>3,476,668</u>	<u>1,988,941</u>	<u>1,683,815</u>
Less: Commission on sales	(80,938)	(71,651)	(39,060)	(34,027)
Less: Sales tax	<u>(558,324)</u>	<u>(505,572)</u>	<u>(293,648)</u>	<u>(248,744)</u>
	<u>3,154,992</u>	<u>2,899,445</u>	<u>1,656,233</u>	<u>1,401,044</u>

### 13. Cost of Sales

Raw and packing material consumed	1,162,142	1,154,096	538,511	537,521
Salaries, wages and other benefits	157,923	126,234	76,825	64,237
Fuel and power	506,015	516,289	222,755	256,414
Shut down expenses	-	63,191	-	63,191
Service through contractors	44,520	43,976	22,687	22,546
Repair and maintenance	35,739	138,590	24,673	74,355
Quality assurance	5,658	1,580	4,954	475
Travelling	7,260	4,602	3,186	2,294
Communication	1,137	972	648	432
Rent and rates	19,158	4,406	16,975	3,658
Depreciation on property, plant and equipment:				
- owned assets	204,291	180,410	92,976	85,437
- right of use assets	-	9,358	-	4,678
Amortization of intangible assets	597	3,292	597	3,292
Insurance	11,886	12,623	5,943	6,311
Safety items consumed	2,217	3,151	1,186	1,950
Miscellaneous	5,743	8,946	4,315	5,580
	<u>2,164,286</u>	<u>2,271,716</u>	<u>1,016,231</u>	<u>1,132,371</u>
Add: Opening work in process	17,994	33,513	5,618	35,203
Less: Closing work in process	(27,119)	(37,130)	(27,119)	(37,130)
	<u>(9,125)</u>	<u>(3,617)</u>	<u>(21,501)</u>	<u>(1,927)</u>
Cost of goods produced	<u>2,155,161</u>	<u>2,268,099</u>	<u>994,730</u>	<u>1,130,444</u>
Add: Opening finished goods	118,224	122,970	190,241	149,427
Less: Closing finished goods	(103,715)	(76,366)	(103,715)	(76,366)
	<u>14,509</u>	<u>46,604</u>	<u>86,526</u>	<u>73,061</u>
Cost of goods sold - own manufactured	<u>2,169,670</u>	<u>2,314,703</u>	<u>1,081,256</u>	<u>1,203,505</u>

14. Earnings Per Share

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	(Un-audited)			
	--- Rupees in Thousands ---			
<b>14.1 Basic earnings per share</b>				
Profit for the period	458,941	265,948	283,291	66,133
Number of ordinary shares	175,031	175,031	175,031	175,031
Earning per share - basic	2.62	1.52	1.62	0.38

- 14.2 There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at December 31, 2024 and December 31, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

15. Cash Generated from Operations

	December 31, 2024 (Un-audited) --- Rupees in Thousands ---	December 31, 2023 (Un-audited) --- Rupees in Thousands ---
Profit before levy and taxation	740,519	472,822
Adjustment for:		
- Depreciation on property, plant and equipment:		
- owned assets	206,173	188,803
- right of use assets	-	9,358
- Amortization of intangible assets	3,019	5,738
- Gain on disposal of fixed assets	(3)	(1)
- Liabilities written back	-	(31,410)
- Interest on bank deposits	(13,673)	(16,406)
- Provision of capital stores	22,667	-
- Provision of stock in trade	5,168	-
- Unrealized gain on investment	(21,202)	(543)
- Exchange loss - net	1,471	2,129
- Finance costs	4,831	12,916
Profit before working capital changes	208,451	170,584
(Increase) / decrease in current assets		
- Stores and spares	(46,410)	(45,380)
- Stock in trade	90,380	(186,054)
- Trade debts	(53,725)	90,838
- Loans, advances, deposits, prepayments and other receivables	(18,106)	44,055
Increase / (decrease) in current liabilities		
- Trade and other payables	99,310	(242,137)
	71,449	(338,678)
<b>Cash Generated from Operations</b>	<b>1,020,419</b>	<b>304,728</b>

16. Related parties comprise the holding company, the subsidiary company, associated companies due to common directorship, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties that are carried out on the basis of mutually agreed terms. Outstanding balances as at the reporting date are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided by or received for any related party's payable or receivable balances and vice versa. Significant transactions with related parties are as follows:

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

Transaction during the period		December 31, 2024 (Un-audited) --- Rupees in	December 31, 2023 (Un-audited) Thousands ---
Relationship	Transactions during the year		
i. Associated companies	Purchase of goods and services	12,750	10,915
	Sale of goods	111,005	13,065
	Share of common expenses charged to the Company	41,045	38,111
	Share of common expenses charged by the Company	3,656	2,794
	Payment of ordinary dividend	294,748	254,243
	Royalty charged to the Company	15,762	14,427
ii. Directors	Meeting fee	750	528
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	2,881	5,187
iv. Key management Personnel	Salaries and other employee benefits	65,611	66,797

### 17. Operating Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Company has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the management of the Company's entire business which is considered as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Company is domiciled in Pakistan. All of the Company's income is from the entities incorporated in both inside and outside Pakistan. The Company has only one reportable segment.

Entity-wide disclosures regarding reportable segment are as follows:

- Information about major customers

No sale has been made to any customer representing 10% or more of total sales for the period (December 31, 2023: Nil). Further, aggregate sales to major distributors represented 84% (December 31, 2023: 87%) of the revenue and each distributor individually exceeded 10% of the revenue.

- Information about geographical areas

All non-current assets of the Company except from long term investments are located in Pakistan as at the reporting date.

Revenue from export sales is Rs. 133.597 million (December 31, 2023: Rs. 147.314 million).

- Information about product

The main product of the Company is Hydrogen Peroxide having different concentrations.

#### **18. Financial Risk Management**

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2024.

#### **19. Authorization of Financial Statements**

These condensed interim financial unconsolidated statements (un-audited) are approved and authorized by the Board of Directors of the Company for issuance on February 18, 2025.

#### **20. Subsequent Events**

The Board of Directors of the Company has proposed an interim cash dividend of Rs. 2 per share (June 30, 2024: Rs. 2 per share) for the period ended December 31, 2024 at their meeting held on February 18, 2025. These interim financial statements do not include the effect of these appropriations which will be accounted for in the period in which they are approved.

#### **21. General**

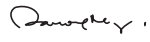
Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these condensed interim unconsolidated financial statements (un-audited).



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR





# CONSOLIDATED

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UN-AUDITED) AS AT DECEMBER 31, 2024**

	Note	December 31, 2024 (Un-audited) --- Rupees in Thousands---	June 30, 2024 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital 300,000,000 (June 30, 2024: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000
Issued, subscribed and paid up capital of 175,031,084 (June 30, 2024: 175,031,084) ordinary shares of Rs. 10 each		1,750,311	1,750,311
Share premium		3,022	3,022
Unappropriated profit		1,608,788	1,462,860
Translation reserve		(879)	(467)
		3,361,242	3,215,726
<b>Non Current Liabilities</b>			
Long term financing	5	75,569	86,405
Deferred grant		8,201	10,814
Deferred tax liability		222,890	204,072
		306,660	301,291
<b>Current Liabilities</b>			
Trade and other payables	6	675,045	588,334
Accrued finance costs		632	1,241
Finances under mark up arrangements - secured		99,878	-
Current portion of non current liabilities		28,896	28,896
Dividend payable		14,892	11,243
Income tax payable - net		5,914	-
		825,257	629,714
<b>Contingencies and Commitments</b>			
	7	-	-
<b>Total Equity and Liabilities</b>		<b>4,493,159</b>	<b>4,146,731</b>

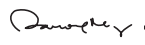
The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements (un-audited).



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DIRECTOR

		December 31, 2024 (Un-audited) --- Rupees in Thousands---	June 30, 2024 (Audited)
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	8	1,850,186	1,992,978
Intangible assets		13,385	16,404
Long term loans		3,500	4,483
Long term deposits		15,377	20,204
		1,882,448	2,034,069
<b>Current Assets</b>			
Stores and spares	9	570,347	523,937
Stock in trade	10	534,513	631,425
Trade debts		320,067	175,646
Loans, advances, deposits, prepayments and other receivables		72,580	53,935
Short term investment	11	676,472	140,055
Tax refund due from the government		-	125,904
Bank balances		436,732	461,760
		2,610,711	2,112,662
<b>Total Assets</b>		<b>4,493,159</b>	<b>4,146,731</b>

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

		<b>Half Year Ended December 31,</b>		<b>Quarter Ended December 31,</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	Note	--- Rupees in Thousands ---			
Sales	12	3,196,978	2,902,833	1,683,207	1,404,432
Cost of sales	13	(2,172,956)	(2,314,801)	(1,084,542)	(1,203,505)
<b>Gross Profit</b>		<b>1,024,022</b>	<b>588,032</b>	<b>598,665</b>	<b>200,927</b>
Administrative expenses		(113,534)	(99,581)	(60,803)	(51,781)
Distribution and selling costs		(92,705)	(91,027)	(39,214)	(45,151)
Other income		49,947	127,909	34,552	74,384
Other operating expenses		(84,116)	(37,021)	(39,476)	(11,915)
		(240,408)	(99,720)	(104,941)	(34,463)
<b>Operating Profit</b>		<b>783,614</b>	<b>488,312</b>	<b>493,724</b>	<b>166,464</b>
Finance cost		(4,900)	(12,915)	(1,483)	(5,920)
<b>Profit before Levy and Taxation</b>		<b>778,714</b>	<b>475,397</b>	<b>492,241</b>	<b>160,544</b>
Levy / final taxation		-	(1,473)	-	(415)
<b>Profit before Taxation</b>		<b>778,714</b>	<b>473,924</b>	<b>492,241</b>	<b>160,129</b>
Taxation		(282,724)	(205,401)	(186,065)	(90,917)
<b>Net Profit for the Period</b>		<b>495,990</b>	<b>268,523</b>	<b>306,176</b>	<b>69,212</b>
<b>Earnings per Share - Basic and Diluted</b>	14	<b>2.83</b>	<b>1.53</b>	<b>1.75</b>	<b>0.40</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements (un-audited).



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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	--- Rupees in Thousands ---			
<b>Net Profit for the Period</b>	495,990	268,523	306,176	69,212
<b>Other comprehensive income</b>				
<i>Items that will not be re-classified to profit or loss</i>	-	-	-	-
<i>Items that may be re-classified to profit or loss</i>				
Exchange differences on translation of subsidiaries	(412)	-	(412)	-
Other comprehensive loss for the period	(412)	-	(412)	-
<b>Total Comprehensive Income for the Period</b>	<b>495,578</b>	<b>268,523</b>	<b>305,764</b>	<b>69,212</b>


The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements (un-audited).



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## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

Particulars	Issued, Subscribed and Paid up Capital	Reserves		Translation Reserve	Total
		Share Premium	Unappropri- ated Profit		

--- Rupees in Thousands ---

**Balance as at July 1, 2023** 1,750,311 3,022 1,305,908 - 3,059,241

Net profit for the period	-	-	268,523	-	268,523
Other comprehensive income for the period	-	-	-	-	-

Total comprehensive income for the period - - 268,523 - 268,523

### Transactions with owners

Final dividend for the year ended  
June 30, 2023 @ 20% (Rs 2 per share) - - (350,062) - (350,062)

**Balance as at December 31, 2023** 1,750,311 3,022 1,224,369 - 2,977,702

**Balance as at July 1, 2024** 1,750,311 3,022 1,462,860 (467) 3,215,726

Net profit for the period	-	-	495,990	-	495,990
Other comprehensive loss for the period	-	-	-	(412)	(412)

Total comprehensive income for the period - - 495,990 (412) 495,578

### Transactions with owners

Final dividend for the year ended  
June 30, 2024 @ 20% (Rs 2 per share) - - (350,062) - (350,062)

**Balance as at December 31, 2024** 1,750,311 3,022 1,608,788 (879) 3,361,242

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements (un-audited).



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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

		Half Year Ended December 31,	
		2024	2023
	Note	--- Rupees in Thousands ---	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Generated from Operations</b>	15	953,949	320,975
Finance cost paid		(5,509)	(7,834)
Taxes paid		(132,088)	(677,996)
Profit on deposits received		13,673	16,406
Long term deposits		4,827	-
		(119,097)	(669,424)
<b>Net Cash Generated from / (Used in) Operating Activities</b>		834,852	(348,449)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property, plant and equipment purchased		(84,684)	(103,960)
Proceeds from disposal of property, plant and equipment		3	36
Short term investments purchased		(953,109)	(383,214)
Short term investments redeemed		437,894	1,055,000
<b>Net Cash (Used in) / Generated from Investing Activities</b>		(599,896)	567,862
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances repaid		(13,449)	(13,922)
Lease liabilities paid		-	(12,398)
Finances under mark up arrangements - secured		99,878	113,993
Dividends paid		(346,413)	(346,885)
<b>Net Cash Used in Financing Activities</b>		(259,984)	(259,212)
<b>Net Decrease in Cash and Cash Equivalents</b>		(25,028)	(39,799)
Cash and cash equivalents at the beginning of the period		461,760	248,357
<b>Cash and Cash Equivalents at the End of the Period</b>		436,732	208,558

The annexed notes from 1 to 21 form an integral part of these condensed interim consolidated financial statements (un-audited).



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CHIEF FINANCIAL OFFICER



DIRECTOR

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

### 1. The Group and its Operations

1.1 The Group consists of:	Note	Status within the Group
- Descon Oxychem Limited (DOL)	1.1	Holding Company
- Descon Oxychem FZE (DOLFZE)	1.2	Subsidiary Company

1.1 DOL was incorporated in Pakistan as a private limited Company on November 12, 2004 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and was later converted into a public limited company. On September 15, 2008, the Company was listed on Pakistan Stock Exchange. DOL is principally engaged in manufacturing, procurement and sale of hydrogen peroxide and allied products. DEL Chemicals (Private) Limited is the parent company of DOL.

1.2 DOL FZE is a wholly owned subsidiary of Holding Company and is situated in Hamriyah Free Zone, Sharjah, UAE. DOL FZE is engaged in import, export and trading of chemicals & related products, detergents & disinfectants, water treatment & purification chemicals and raw materials.

1.3 DOL is domiciled in Pakistan and its geographical location and addresses are as under:

Business Unit	Geographical Location
Head office / Registered Office	18-KM Ferozepur Road, Lahore.
Production Plant / Factory	18- KM, Lahore-Sheikhupura Road, Lahore.
DOL FZE	Hamriyah Free Zone, Sharjah, UAE.

### 1.4 Consolidated Financial Statements

These financial statements are the consolidated financial statements of the DOL and its subsidiary (the Group).

## 2. Basis of Preparation

### 2.1 Statement of compliance

2.1.1 These condensed, interim, consolidated financial statements (un-audited) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



- 2.1.2** These condensed, interim, consolidated financial statements comprise of the condensed, interim, consolidated statement of financial position of the Group (un-audited), as at December 31, 2024 and the related condensed, interim, consolidated (un-audited) statement of profit or loss, the condensed, interim, consolidated (un-audited) statement of comprehensive income, the condensed, interim, consolidated (un-audited) statement of changes in equity and the condensed, interim, consolidated statement of cash flows (un-audited) together with the notes forming part thereof.
- 2.1.3** These condensed, interim, consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual group financial statements for the year ended June 30, 2024.
- 2.1.4** These condensed, interim, consolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); these are however, subject to limited scope review by external auditors as required by the Act and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).

## **2.2 Functional and presentation currency**

These condensed, interim, consolidated financial statements are presented in Pak Rupees (Rs.) which is the Group's functional and presentation currency. All the figures have been rounded off to the nearest Rupees in thousands, unless otherwise stated.

## **3. Material Accounting Policy Information**

Material accounting policy information and methods of presentation of these condensed, interim, consolidated financial statements (un-audited) are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2024.

## **4. Judgments and Estimates**

The preparation of these condensed, interim, consolidated financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## **5. Long Term Financing**

	Note	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
--- Rupees in Thousands ---			
<b>Secured:</b>			
Allied bank limited	5.1	112,666	126,115
Less: Deferred grant		(13,706)	(16,944)
		98,960	109,171
Less: Current portion shown under current liabilities		(23,391)	(22,766)
		<u>75,569</u>	<u>86,405</u>

### **5.1 Temporary Economic Refinance Facility (TERF)**

This represents the outstanding balance of the SBP's Temporary Economic Refinance Facility (TERF) obtained from Allied Bank Limited for capacity expansion of the Holding Company's existing Hydrogen Peroxide plant. This loan is secured against first pari passu charge over all present and future fixed assets (plant and machinery) of the Holding Company amounting to Rs. 880 million and ranking charge over present and future fixed assets (plant and machinery) of the Holding Company amounting to Rs. 22 million.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2024

### Terms of markup

The facility carries markup at SBP rate plus 1% per annum payable quarterly in arrears (June 30, 2024: SBP rate plus 1% per annum).

### Terms of repayment

Temporary Economic Refinance Facility (TERF) is repayable in twenty equal quarterly installments till May 16, 2029.

### 6. Trade and Other Payables

	December 2024 (Un-audited)	June 30, 2024 (Audited)
	--- Rupees in Thousands ---	
Trade creditors	160,436	128,677
Contract liabilities	68,454	85,724
Accrued liabilities	312,978	297,586
Worker's (profit) participation fund	83,731	43,963
Worker's welfare fund	33,708	18,666
Other liabilities	13,848	11,947
Provident fund payable	1,890	1,771
	<u>675,045</u>	<u>588,334</u>

### 7. Contingencies and Commitments

#### 7.1 Contingencies

The Honorable Supreme Court of Pakistan ('HSCP') in its decision dated August 13, 2020 held that Gas Infrastructure Development Cess (GIDC), as initially levied through Gas Infrastructure Development Cess Act, 2011 and modified via different notifications issued from time to time and thereafter re-levied through the Gas Infrastructure Development Cess Ordinance, 2014, stands payable to SNGPL in twenty four (24) equal monthly installments with immediate effect.

Pursuant to the order of the HSCP, Sui Northern Gas Pipelines Limited ('SNGPL') raised a demand for the collection of the GIDC arrears. The Company filed a writ petition under article 199 of the Constitution of Islamic Republic of Pakistan, 1973 in the Honorable Lahore High Court ('HLHC') against the demand raised, pleading that demanding arrears of GIDC are illegal, unlawful and ultra vires to the first proviso to section 8 (2) of the Gas Infrastructure Development Cess Act, 2015. The writ petition was decided in favor of the Company by HLHC vide its order dated June 17, 2021. SNGPL filed an intra court appeal in HLHC which was decided against SNGPL vide order of HLHC dated September 21, 2022.

The Company's legal advisor is of the opinion that the judgement does not apply to arrears under the Gas Infrastructure Development Cess Act, 2011 and Gas Infrastructure Development Ordinance 2014 that are, in terms of first proviso of section 8 (2) of the Gas Infrastructure Development Cess Act, 2015, not to be collected. The applicability of first provision of section 8 (2) is subject to the determination by High Level Committee ('Committee') of SNGPL. The decision has not been made by the Committee on its applicability and the amount to be paid by the Company. Accordingly, the Company has not recognized the estimated provision of Rs. 55.32 million (June 30, 2024: Rs. 55.32 million) in these financial statements. However, the Company has provided guarantee of Rs. 55.32 million (June 30, 2024: Rs. 55.32 million) to SNGPL.

## 7.2 Commitments

The Holding Company has commitments in respect of letters of credit Rs. 625.667 million (June 30, 2024: Rs. 158.549 million ).

		<b>December 31, 2024</b>	<b>June 30, 2024</b>
	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>--- Rupees in</b>	<b>Thousands ---</b>
<b>8. Property, Plant and Equipment</b>			
Owned assets	8.1	1,715,742	1,843,325
Capital work in progress		71,848	58,447
Major spare parts, catalysts and standby equipment		62,596	91,206
		<u>1,850,186</u>	<u>1,992,978</u>
<b>8.1 Owned assets</b>			
Opening written down value		1,843,325	2,068,782
Additions during the period / year		78,590	156,487
Disposals during the period / year		-	(985)
		<u>1,921,915</u>	<u>2,224,284</u>
Depreciation charge for the period / year		<u>(206,173)</u>	<u>(380,959)</u>
		<u>1,715,742</u>	<u>1,843,325</u>
<b>9. Stores and Spares</b>			
General stores and spares		273,848	243,170
General stores and spares in transit		35,045	24,499
Working solution		264,899	259,713
		<u>573,792</u>	<u>527,382</u>
Less: Provision for obsolescence	9.1	<u>(3,445)</u>	<u>(3,445)</u>
		<u>570,347</u>	<u>523,937</u>
<b>9.1 Provision for obsolescence</b>			
Opening balance		3,445	3,445
Provision for the period / year		-	-
		<u>3,445</u>	<u>3,445</u>
Less: Stores written off		-	-
Balance as at December 31,		<u>3,445</u>	<u>3,445</u>
<b>10. Stock in Trade</b>			
Raw materials		347,544	464,897
Raw materials in transit		62,029	29,672
Packing materials		27,119	17,994
Finished goods			
- purchased for resale		-	638
- own manufactured		103,715	118,224
		<u>540,407</u>	<u>631,425</u>
Less: Provision for obsolescence	10.1	<u>(5,894)</u>	<u>-</u>
		<u>534,513</u>	<u>631,425</u>
<b>10.1 Provision for obsolescence</b>			
Opening balance		-	-
Provision for the period / year		5,894	-
		<u>5,894</u>	<u>-</u>
Less: Stock in trade written off		-	-
Balance as at December 31,		<u>5,894</u>	<u>-</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2024

	Note	December 31, 2024 (Un-audited) --- Rupees in Thousands ---	June 30, 2024 (Audited) --- Rupees in Thousands ---
<b>11 Short Term Investment</b>			
NBP Money Market Fund		676,472	83,760
61.952 million units (June 30, 2024: 8.369 million units)			
NBP Cash Fund		-	56,295
Nil (June 30, 2024: 5.624 million units)			
		<b>676,472</b>	<b>140,055</b>

### 12. Sales

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	(Un-audited)			
	--- Rupees in Thousands ---			
Gross sales:				
- Local	3,660,657	3,332,742	1,913,901	1,645,731
- Foreign	175,583	147,314	102,014	41,472
	<b>3,836,240</b>	<b>3,480,056</b>	<b>2,015,915</b>	<b>1,687,203</b>
Less: Commission on sales	(80,938)	(71,651)	(39,060)	(34,027)
Less: Sales tax	(558,324)	(505,572)	(293,648)	(248,744)
	<b>3,196,978</b>	<b>2,902,833</b>	<b>1,683,207</b>	<b>1,404,432</b>

### 13. Cost of Sales

Raw and packing material consumed	1,165,427	1,154,096	541,796	537,521
Salaries, wages and other benefits	157,923	126,234	76,825	64,237
Fuel and power	506,015	516,289	222,755	256,414
Shut down expenses	-	63,191	-	63,191
Service through contractors	44,520	43,976	22,687	22,546
Repair and maintenance	35,739	138,590	24,673	74,355
Quality assurance	5,658	1,580	4,954	475
Travelling	7,260	4,602	3,186	2,294
Communication	1,137	972	648	432
Rent and rates	19,158	4,406	16,975	3,658
Depreciation on property, plant and equipment:				
- owned assets	204,291	180,410	92,976	87,083
- right of use assets	-	9,358	-	4,678
Amortization of intangible assets	597	3,292	597	1,646
Insurance	11,886	12,623	5,943	6,311
Safety items consumed	2,217	3,151	1,186	1,950
Miscellaneous	5,744	8,946	4,316	5,580
	<b>2,167,572</b>	<b>2,271,716</b>	<b>1,019,517</b>	<b>1,132,371</b>
Add: Opening work in process	17,994	33,513	5,618	35,203
Less: Closing work in process	(27,119)	(37,130)	(27,119)	(37,130)
	<b>(9,125)</b>	<b>(3,617)</b>	<b>(21,501)</b>	<b>(1,927)</b>
Cost of goods produced	<b>2,158,447</b>	<b>2,268,099</b>	<b>998,016</b>	<b>1,130,444</b>
Add: Opening finished goods	118,224	122,970	190,241	149,427
Less: Closing finished goods	(103,715)	(76,366)	(103,715)	(76,366)
	<b>14,509</b>	<b>46,604</b>	<b>86,526</b>	<b>73,061</b>
Cost of goods sold - own manufactured	<b>2,172,956</b>	<b>2,314,703</b>	<b>1,084,542</b>	<b>1,203,505</b>
Cost of goods sold - purchase for resale	-	98	-	-
Cost of goods sold - own manufactured	<b>2,172,956</b>	<b>2,314,801</b>	<b>1,084,542</b>	<b>1,203,505</b>

**14. Earnings Per Share**

**14.1 Basic earnings per share**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2024	2023	2024	2023
	(Un-audited)			
	--- Rupees in Thousands ---			
Profit for the period	495,990	268,523	306,176	69,212
Number of ordinary shares	175,031	175,031	175,031	175,031
Earning per share - basic	2.83	1.53	1.75	0.40

**14.2** There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at December 31, 2024 and December 31, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

**15. Cash Generated from Operations**

	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
	--- Rupees in Thousands ---	
Profit before levy and taxation	778,714	475,397
Adjustment for:		
- Depreciation on property, plant and equipment:		
- owned assets	206,173	188,803
- right of use assets	-	9,358
- Amortization of intangible assets	3,019	5,738
- Gain on disposal of fixed assets	(3)	(1)
- Liabilities written back	-	(31,410)
- Interest on bank deposits	(13,673)	(16,406)
- Provision of capital stores	22,667	-
- Provision of stock in trade	5,168	-
- Exchange translation reserve	(412)	-
- Unrealised gain on investment	(21,202)	(543)
- Exchange loss - net	1,471	2,129
- Finance costs	4,900	12,916
Profit before working capital changes	208,108	170,584
(Increase) / decrease in current assets		
- Stores and spares	(46,410)	(45,380)
- Stock in trade	90,380	(186,054)
- Trade debts	(145,892)	90,838
- Loans, advances, deposits, prepayments and other receivables	(17,662)	44,713
Increase / (decrease) in current liabilities		
- Trade and other payables	86,711	(229,123)
	(32,873)	(325,006)
<b>Cash Generated from Operations</b>	<b>953,949</b>	<b>320,975</b>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2024

### 16. Transactions with Related Parties

Related parties comprise the Holding Company, associated companies due to common directorship, staff retirement funds, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties that are carried out on the basis of mutually agreed terms. Outstanding balances as at the reporting date are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided by or received for any related party's payable or receivable balances and vice versa. Significant transactions with related parties are as follows:

Transaction during the period		December 31, 2024	December 31, 2023
		(Un-audited)	(Un-audited)
		--- Rupees in Thousands ---	
Relationship	Transactions during the year		
i. Associated companies	Purchase of goods and services	12,750	10,915
	Share of common expenses charged to the company	41,045	38,111
	Share of common expenses charged by the company	3,656	2,794
	Payment of ordinary dividend	294,748	254,243
	Royalty charged to the Company	15,762	14,427
ii. Directors	Meeting fee	750	528
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	2,881	5,187
iv. Key management Personnel	Salaries and other employee benefits	65,611	66,797

### 17. Operating Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Group has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the management of the Group's entire business which is considered as a single operating segment. The Group's assets allocation decisions are based on a single integrated investment strategy and the Group's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Group's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Group is domiciled in Pakistan. All of the Group's income is from the entities incorporated in both inside and outside Pakistan. The Group has only one reportable segment.

Entity-wide disclosures regarding reportable segment are as follows:

- Information about major customers

No sale has been made to any customer representing 10% or more of total sales for the period (December 31, 2023: Nil). Further, aggregate sales to major distributors represented 84% (December 31, 2023: 87%) of the revenue and each distributor individually exceeded 10% of the revenue.

- Information about geographical areas

All non-current assets of the Group are located in Pakistan as at the reporting date.

Revenue from foreign sales is Rs. 175.583 million (December 31, 2023: Rs. 147.314 million).

- Information about product

The main product of the Group is Hydrogen Peroxide having different concentrations.

## 18. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2024.

## 19. Authorization of Financial Statements

These condensed interim consolidated financial statements (un-audited) are approved and authorized by the Board of Directors of the Group for issuance on February 18, 2025.

## 20. Subsequent Events

The Board of Directors of the Company has proposed an interim cash dividend of Rs. 2 per share (June 30, 2024: Rs. 2 per share) for the period ended December 31, 2024 at their meeting held on February 18, 2025. These condensed interim consolidated financial statements (un-audited) do not include the effect of these appropriations which will be accounted for in the period in which they are approved.

## 21. General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following reclassification has been made in these condensed interim consolidated financial statements (un-audited).

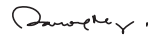
Nature	From	To	Amount
			--- Rupees in Thousands ---
Levy / Final Taxation	Taxation	Levy (Face of the statement of profit or loss)	1,473



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTE

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## BOOK POST



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