PARTNERS IN PROGRESS DESCON

Annual Report 2025

Descon Oxychem Limited

VISION

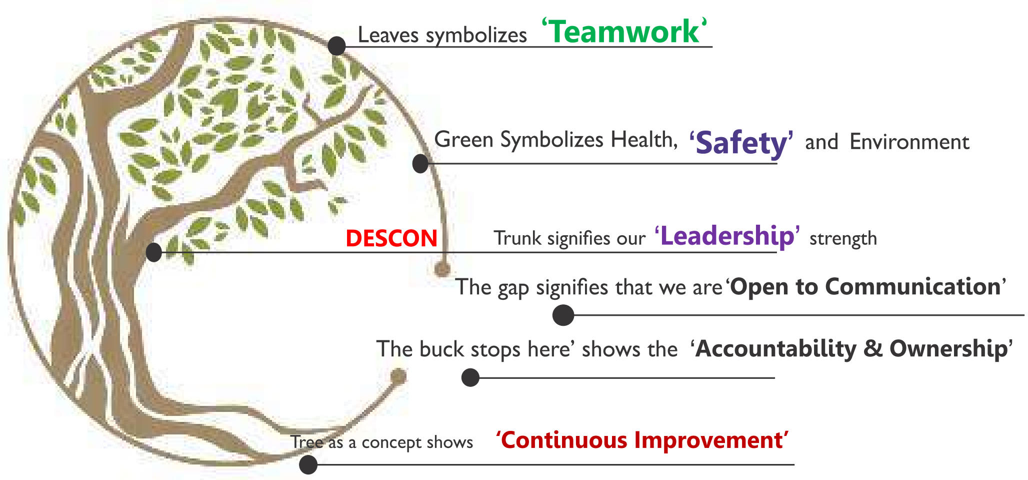
Winning together with our customers, our ambition is to enhance local and regional footprint while delivering sustainable value to all stakeholders.

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
Imran Anwer	Independent Director
Muhammad Zahir	Independent Director
Yasir Siddique Sheikh	Chief Executive Officer

Rabia Shoaib
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
National Bank of Pakistan

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 - Sheikhupura 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

Board and Management Committees

Audit Committee

Audit committee has been constituted by the Board in compliance with the Listing Regulations. The committee oversees the Internal Audit function, and also reviews internal audit plans and reports. The committee conducts its meetings as and when required. The committee apprises the Board about the significant discussion and decisions at its meetings and recommendations in respect of company's operation and financial results. The committee comprises of three members. The Chairman is an Independent Director, while the other member is a Non-Executive Director. One position remains vacant following the resignation of a previous Independent Director. Currently, the committee comprises the following members:

Muhammad Zahir	Chairman
Farooq Nazir	Member

Enterprise Risk Management Committee

Enterprise Risk Management Committee was constituted to assist Audit Committee of the Board of Directors in overseeing and reviewing information regarding the enterprise risk management framework, including the significant policies, procedures and practices employed to manage all risks affecting the Company. The committee at minimum meets on a quarterly basis or as frequently as necessary. The committee is constituted of the following members:

Yasir Siddique Sheikh	Chairman
Mushfiq Hussain	Member
Rabia Shoaib	Member
Noor Shuja	Member

Human Resource & Remuneration Committee

The Committee has been constituted by the Board to recommend human resource management policies to the board and fulfill the requirements of the listed companies (Code of corporate Governance) Regulations, 2019. It comprises of three members, of whom two are non-executive directors, including the Chairman of the committee and one is an independent director:

Farooq Nazir	Chairman
Muhammad Zahir	Member
Faisal Dawood	Member

Compliance Committee

Compliance Committee was constituted to oversee Company's compliance with applicable legal and regulatory requirements, industry standards, and the Company's Code of Ethics and Business Conduct. The committee is constituted of the following members:

Yasir Siddique Sheikh	Chairman
Mushfiq Hussain	Member
Rabia Shoaib	Member
Noor Shuja	Member

Principal Markets & Application Areas

Mining

Descon's DOLOX 50 brand is the leading brand for Pakistan's mining industry. It is extensively used by its customers as an oxidant, such as leaching, concentrate preparation and effluent treatment. This application is known as peroxide assisted leach and effluent treatment. The treatment of dissolved oxygen is a crucial factor for overall leaching efficiency. HP ensures that the necessary dissolved oxygen concentration is in the system, leading to significant increase in leaching efficiency. Downstream, HP is often used for the removal of cyanide oxidation in a single step, without the formation of toxic intermediates.

Textiles

The company's TEXTOX 50 is the flagship brand, which is most extensively used by the textile market for bleaching of natural and animal-bers derived from cellulose such as cotton, linen and bast-bers. The textile-bers are used as lose stock, yarn or knitted woven fabrics. This product has inherent design strengths and the right chemistry to be used in a wide range of processing technologies. These include Rier, Winch, Jig, J-Box and Steamer with and without storage. The oxidizing bleaching agents, where HP provides a high bleaching impact at extremely competitive cost, especially if modern short-term bleaching are used.

Food & Beverages

Descon's ASEPTOX 35 & SANIDOL are among the top brands used by the food and beverage customers. HP is used in beverages, milk, dairy products, sauces and soups.
These products are packaged aseptically in cartons, tubes, bottles and foils. These storage-stable products maintain the required shelf-life and high product quality standards. To create a sterile environment in aseptic packing units, several treatment approaches for materials sterilization and internal machine surfaces are used.

CHAIRMAN'S STATEMENT

The Company has delivered another remarkable year of profitability, reflecting the strength of its strategic direction and operational discipline. While pricing pressures arising from the dumping of products by international competitors posed significant challenges, the Company responded with resilience—optimizing resource utilization and maintaining tight control over operational costs. These efforts enabled us to generate solid returns for our stakeholders and also helped us to remain competitive in an increasingly dynamic market environment.

The Board of Directors has continued to play a central role in steering the Company by conducting regular and structured reviews of business operations and performance metrics. In alignment with best practices, the Board has reinforced a strong commitment to the Code of Corporate Governance. To ensure rigorous compliance, the Directors receive periodic updates from a well-established and independent internal audit function, which operates with full autonomy and transparency.

The Board diligently fulfilled its responsibilities in establishing standards, formulating policies, and defining strategic objectives, while ensuring the allocation of necessary resources to achieve the Company's goals. Board Members also conducted regular quarterly reviews to monitor key strategic matters, assess financial performance, and oversee risk management. During the fiscal year 2024–25, the Company achieved an Earnings Per Share (EPS) of PKR 4.91, despite pricing challenges due to cheaper imports. In recognition of the Company's robust and healthy cash flow, the Board of Directors has recommended a 20% cash dividend for shareholders.

It's important to highlight the key role played by the Committees (Audit Committee, Human Resource and Remuneration Committee) in underscoring and directing management towards areas of improvements.

Despite challenges associated with cross-border transactions, the Company has remained committed to its strategic focus on expanding into export markets. Concurrently, it has successfully sustained competitive pricing within the domestic market, enabling the delivery of strong shareholder returns. This performance reflects the Company's resilience and agility in navigating evolving market dynamics and intensifying competition.

On behalf of the Board of Directors, I extend our sincere appreciation to all stakeholders for their continued support and encouragement throughout the year. The Board wishes to formally acknowledge the valuable contributions of the Company's management, whose dedication and professionalism have been instrumental in driving operational excellence and strategic progress. I also commend my fellow Directors and the management team for their unwavering commitment and diligence during the year under review, which has enabled the Company to navigate challenges and deliver sustained value to its shareholders.

Faisal Dawood
Chairman

Lahore
September 03, 2025

DIRECTORS' REPORT TO THE SHAREHOLDERS
For the year ended June 30, 2025

The Directors of the company are pleased to present the Annual Report along with the Audited Financial Statements for the year ended June 30, 2025.

Economic Review:

Federal government's policies to stabilize the economy have been, to a large extent, successful. The policy rate was reduced to 11 percent in the last quarter of FY 2025, compared to the peak of 22 percent in the prior fiscal year. The monetary easing is reflected in the sustained inflation moderation, inflationary pressures eased markedly to 3.2 percent in June 2025, down from 12.6 percent in June 2024. The exchange rate remained stable at 280 with a change of + 2%. Moreover PSX- 100 index recorded historical growth. Investor confidence was strengthened by a stable macroeconomic environment, underpinned by robust corporate earnings, a declining policy rate, and the successful first review of the IMF EFF program.

On the global front, geopolitical uncertainties kept commodity prices volatile, with Brent crude ranging between USD 85 and USD 64 per barrel, which in turn contributed to a gradual reduction in raw material prices such as RLNG and HDPE.

Business Results

Your Company remains committed to its core objective of winning together with its stakeholders by being the lowest cost producer employing motivated people coupled with effective teamwork.

Despite international producers dumping product in Pakistan and creating disruption in the selling price & the entrance of another manufacturer in the local market, the Company maintained resilient profitability through targeted cost optimization and efficiency initiatives.

These efforts have led your company to achieve remarkable results in terms of profitability.

Gross margins increased from 20% to 30% while keeping the overheads at an optimum level which has translated into a 14% net profit after tax as compared to 9% in FY 2024.

The borrowing cost was reduced during the year, reflecting prudent financial management and a supportive interest rate environment.

Profit after tax is recorded at PKR 860 million as compared to PKR 507 million SPLY.

These results underscore the Company's strong fundamentals and its ability to deliver even in a challenging business environment.

The summarized financial performance is as follows:

	2025	2024	2023	%age
		Rupees in thousands		2025 vs 2024
Sales	**5,998,848**	5,738,033	6,721,346	⬆ 5%
Gross profit	**1,778,748**	1,154,113	2,756,429	⬆ 54%
Profit from operations	**1,334,004**	770,104	2,372,931	⬆ 73%
Finance cost	**(10,031)**	(23,837)	(25,929)	⬇ -58%
Profit before levy and tax	**1,308,996**	854,256	2,223,700	⬆ 53%
Profit after tax	**860,162**	507,014	1,400,392	⬆ 70%
Earnings per share – Basic	**4.91**	2.90	8.00	⬆

Cash Flow Management

During the period, the Company generated positive cash flows from operating activities, PKR 1,857 million in FY-25 as compared to PKR 998 million in FY-24. Reflecting strong underlying business performance. These operating cash inflows were primarily utilized to fund capital expenditure aimed at enhancing production capacity and upgrading technology infrastructure. In addition, a portion of the available cash was invested in mutual funds to optimize returns on surplus liquidity, while ensuring adequate reserves were maintained to support ongoing operational requirements.

Safety & Manufacturing

Health, Safety and Environment and security of our employees/contractors is a high priority in the company, and it is an integral part of Descon's core values. At the closure of FY25, the business had operated fourteen consecutive years without a single lost time injury (LTI) & successfully achieved 11+ million man-hours & 9+ Million safe kilometers. Total recordable injuries rate (TRIR) is still zero, same as last year.

The company remained fully compliant with all global accreditation requirements for ISO 9001, ISO 45001 and ISO 14001. The business consistently complied with national liquid and gaseous emissions standards. The entire workforce is trained, supported and regularly assessed, which enables them to perform their jobs with minimal risk. During the year, the company invested in training to build capacity and capability. Further, it continues to take measures that build institutional memory for all business milestones.

The company took sustainability initiatives in line with the United Nations Sustainability Development goals & good progress achieved against the set targets.

Some of the key updates are,

- Reducing 5.76 tCO_2 in 2H of FY-2024/25 through waste plastic recycling
- Initiation of 2 MW Solar project with targeted completion by Dec-2025
- Securing 2.5 rating in first ever 3rd party Process Safety Management (PSM) Audit
- Completing first Ecovadis Sustainability Assessment with 39/100 score at 16th Percentile
- Winning “Fire and Safety Award” at 14th Annual NFEH Awards
- Optimizing Gensets Operation resulting in reduced Diesel consumption

During the year, the company also achieved the highest ever production milestone, reaching 42,420 MT (Concentration 50%) reflecting relentless pursuit of excellence, improved reliability and optimized operations. Considerable efforts were made to reduce energy & chemical consumption which have led to significant savings for the company. Special focus was given to the Manufacturing excellence program to bring in efficiency to the plant operations and other processes. The drive has also resulted in the reduction of controllable losses to 0.4% vs 0.55% last year and 1% industry benchmark.

Sales & Marketing

The local hydrogen peroxide market is currently under pressure from low import prices, compelling your company to make downward adjustments in domestic pricing in line with import replacement strategy for the North region. Supply remained sufficient and international producers are offloading their excess capacities in Pakistan and India.

In the international market overall demand continued to face downward pressure amid ongoing instability caused by multiple conflicts across Asia and the Middle East.

Future Outlook.

In the local market overall demand remains sluggish, largely due to uncertainty following the U.S. tariff implementations (effective March 2025). However, the medium-term outlook is positive, supported by the U.S. tariff announcement has made Pakistan's textile exports more competitive than India's, particularly in the towel and home textile segment.

At the global end Hydrogen peroxide market conditions in Asia continue to face challenges. Demand is projected to remain subdued, as no major capacity expansions are anticipated in downstream applications like textiles and pulp paper.

Market pressure suggests the possibility of a further decline in pricing. This pressure is expected to continue weighing negatively on margins in the near term.

Despite all these challenges, the Company is hopeful that the outcome of the sunset review for antidumping duties, due in first half of FY 2026, Company's efforts for introduction of non-tariff barrier to discourage dumping of product by international players and more stringent EFS policies will bring in healthy competition and positive operative environment for the Company to grow.

We are thankful to all stakeholders for their support to achieve the stellar results especially the employees who are our most important asset.

Corporate Governance

The Board of Directors of the company and the Management are fully conversant with their key responsibilities as required by the provisions of the Companies Act, 2017 (the "Act"). The Board has adopted best practices of Corporate Governance by ensuring a strong sense of business principles and high standards for compliance in business activities. The same has been summarised in the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") duly reviewed by the external auditors.

The Directors are pleased to report on the following:

a. The financial statements, prepared by the management of the company, present a true state of affairs of the company, results of its operations, cash flows and changes in equity.
b. Proper books of account of the company have been maintained.
c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
d. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
e. The internal control system is sound in design and has been effectively implemented and monitored.
f. There are no significant doubts about the company's ability to continue as a going concern.
g. All the directors on the Board are fully conversant with their duties and responsibilities as directors of a corporate body.
h. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
i. The key operating and financial data of the last six years is attached to the report.

Composition of the Board of Directors

The total numbers of directors are seven (7) including Chief Executive (deemed Director) as follows:

Male 6 (including Chief Executive) (one position vacant)
Female 1

The cmposition of the Board as on June 30, 2025,is as follows:

Sr. No.	Category	Name
1	Independent Directors	Mr. Muhammad Zahir
2		Position Vacant*
3	Non-executive Directors	Mr. Faisal Dawood
4		Mr. Taimur Dawood
5		Mrs. Mehreen Dawood
6		Mr. Farooq Nazir
7		Mr. Asif Qadir
8	Executive Directors	Mr. Muhammad Mohsin Zia**
9	Female Director	Mrs. Mehreen Dawood

*Mr. Jehnazeb Khan resigned on June 26, 2025,and the vacancy was filled by Mr. Imran Anwer on September 03, 2025, for the balance of the un-expired term.

** Mr. Yasir Siddique Sheikh joined as CEO on July 01, 2025, replacing Mr. Muhammad Mohsin Zia, following his resignation dated June 30, 2025.

Changes to the Board

During the financial year under review, Mr. Jehanzeb Khan, Independent Director, resigned on June 26, 2025. The vacancy created by his resignation was filled by Mr. Imran Anwer, Independent Director, on September 03, 2025, within 90 days, in accordance with the law.

Further, the CEO, Mr. Muhammad Mohsin Zia, resigned on the last day of the financial year, and Mr. Yasir Siddique Sheikh joined as the new CEO on July 01, 2025.

Meetings of the Board

The Board is legally required to meet at least once every quarter to monitor the company's performance aimed at effective and timely accountability of its management. The decisions made by the Board during the meetings were minuted and were duly circulated to all the Directors within the timeline as determined by the Act for endorsement and were formally approved in the following Board meetings.

All meetings of the Board were held in compliance with the required quorum prescribed by the Act and the Regulations. The agenda of each meeting was circulated timely. The Chief Financial Officer and the Company Secretary also attended the Board meetings.

During the year under review, five (05) meetings of the Board of Directors were held. The attendance of the Directors was as follows:

Name of Director	Meetings Attended	Remarks
Mr. Taimur Dawood	5/5	–
Mr. Faisal Dawood	5/5	–
Mr. Faisal Dawood	5/5	–
Mr. Farooq Nazir	5/5	–
Mrs. Mehreen Dawood	5/5	–
Mr. Asif Qadir	3/5	Leave of absence was granted in two meetings.
Mr. Muhammad Zahir	5/5	–
Mr. Jehanzeb Khan	3/5	Leave of absence was granted in two meetings.
Mr. Imran Anwer	–	–
Mr. Muhammad Mohsin Zia	5/5	–
Mr. Yasir Siddique Sheikh	–	–

Directors Training

Six (06) of the Directors have obtained certificates of Directors' Training program; whereas two (02) Directors are exempted from Directors' Training program by virtue of their requisite qualification and required experience of serving on the board of listed companies.

The Company, in collaboration with Lahore University of Management Sciences, organized a Director's Orientation Programme attended by Board members and Senior Management. This initiative was designed to enhance the effectiveness and strategic capabilities of the Board and aimed at reaffirming the Company's commitment to compliance and transparency.

Internal Audit and Control

The Board of Directors has employed an effective system of operational and financial controls. The company promotes a culture of moral conduct and ethical obligation at all levels within the company. The Audit Committee reviews the effectiveness of the internal controls framework on a quarterly basis, whereas, the Internal Audit function provides independent and objective evaluations and reports to the Audit Committee on the effectiveness of governance, risk management and control processes.

In order to enhance transparency and independence of the Internal Audit function, the Company has outsourced it to M/s. KPMG Taseer Hadi & Co., Chartered Accountants. The Head of Internal Audit of the Company, along with the outsourced Internal Auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, reports directly to the Audit Committee. The Company's risk-based annual internal audit plan is recommended by the Audit Committee and approved by the Board. The Audit Committee reviews the implementation of the Internal Audit Plan quarterly. The Audit Committee also reviews significant internal audit findings, takes appropriate corrective actions when necessary, and escalates matters to the Board where required. Adequate remedial and mitigating measures are implemented as needed.

Adequacy of Internal Financial Controls

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of the company's assets, compliance with applicable laws and regulations, and reliable financial reporting.

Directors' Remuneration

The remuneration of Board members is decided by the committee of the Board. The Board seeks to ensure that there is a transparent and fair mechanism in place for determining the remuneration of directors for participation in the meetings of the Board and its committees. For this purpose, a policy for determining the remuneration of directors has been approved and implemented pursuant to which a reasonable meeting participation fee is being paid to Independent Directors. The aggregate amount of fees paid to independent Directors has been disclosed in Note 38 of these financial statements.

Evaluation of Performance of the Board

The Chairman of the Board, in consultation with the Board members, has developed an evaluation plan for the Board and its Committees to ensure that the Board and its committees are fully conversant with their roles and responsibilities. The Board reviews its own performance and the performance of its members and committees on a regular basis. As prescribed under the Regulations, Board has conducted an evaluation of its own performance through its members and its committees through a specially designed survey by the Pakistan Institute of Corporate Governance (PICG). The survey was well received by the participants and they showed satisfaction and gave valuable feedback. A detailed report was compiled by PICG on the basis of the survey and was shared with the Chairman. There was no significant departure from the Act, the Regulations and the policies & procedures found in the said evaluation report.

Committees of the Board

To assist the smooth operations of the Board and support sound decision-making, the Board has established four committees as follows:

Audit Committee:

The Audit Committee supports the Board in fulfilling its oversight responsibilities, while primarily reviewing financial or non-financial information to the shareholders in compliance with prevailing regulations and accounting standards. The Audit Committee facilitates the Board in fostering a strong control environment, supported by an effective system of internal controls. In compliance with the Regulations, the Audit Committee is chaired by an Independent Director.

The Audit Committee comprises of three (3) members, as follows:

Mr. Muhammad Zahir (Independent Director) – Chairman
Mr. Farooq Nazir (Non-executive Director) – Member
TBN

The Audit Committee met 4 times in total. The attendance of the members were as follows:

AUDIT COMMITTEE ATTENDANCE	
Name of Member	**Meetings Attended**
Mr. Farooq Nazir	4/4
Mr. Muhammad Zahir	4/4
Mr. Jehanzeb Khan	3/4

Human Resource & Remuneration Committee:

The Human Resource & Remuneration Committee has been established to review and recommend to the Board all elements of compensation and policies and procedures required to be adopted for an effective human resource function.

The Human Resource and Remuneration Committee comprises three (03) members, as follows:

Mr. Farooq Nazir (Non-executive Director) – Chairman
Mr. Faisal Dawood (Non-executive Director) – Member
Mr. Muhammad Zahir (Independent Director) – Member

The Human Resource and Remuneration Committee met 4 times in total, The attendance of the members were as follows:

HRRC ATTENDANCE	
Name of Member	**Meetings Attended**
Mr. Farooq Nazir	4/4
Mr. Faisal Dawood	4/4
Mr. Muhammad Zahir	4/4

Enterprise Risk Management Committee:

The Risk Management Committee was constituted to assist the Audit Committee of the Board of Directors in overseeing and reviewing information regarding the enterprise risk management framework, and practices employed to manage all risks affecting the company. The Enterprise Risk Management Committee comprises four (04) members, as follows:

Mr. Yasir Siddique Sheikh (Executive Director) – Chairman
Ms. Rabia Shoaib (Chief Financial Officer) – Member
Mr. Mushfiq Hussain (Works Manager) – Member
Ms. Noor Shuja (Head Shared Services) – Member

Compliance Committee:

The Compliance Committee was constituted to oversee the Company's compliance with applicable legal and regulatory requirements, industry standards, and the Company's code of ethics and business conduct. The Compliance Committee comprises of the following members:

Mr. Yasir Siddique Sheikh (Executive Director) – Chairman
Ms. Rabia Shoaib (Chief Financial Officer) – Member
Mr. Mushfiq Hussain (Works Manager) – Member
Ms. Noor Shuja (Head Shared Services) – Member

Related Party Transactions

The Audit Committee reviewed and recommended all the related party transactions to the Board and the Board approved them. All related party transactions were carried out in the normal course of business and on an arm's length basis. The company maintains a complete record of all the related party transactions as prescribed in the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018. The company has made a detailed disclosure of the related party transactions in the financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule of the Act and applicable International Financial Reporting Standards.

Social Investment

Over the past year, the company has taken significant strides in fulfilling its commitment to Corporate and Social Responsibility. Its dedication to sustainability, community engagement, and ethical practices has created a lasting impact that aligns with the values and betterment of society. Through energy-efficient measures and waste reduction strategies, the company achieved a 4% reduction in electricity consumption factor, contributing to lower overall carbon emissions.

In line with sustainable chemical management practices, aimed at safeguarding both employee well-being and the environment, the company successfully reduced the consumption of Tetra Butyl Urea by 26% and Solvesso by 13% through its chemicals optimization drive.

Over the last year, the company also extended direct support to neighboring communities by facilitating the filling of 12 Rescue 1122 fire-fighting tankers at its plant site to aid in extinguishing fires in nearby villages. Looking ahead, the company remains committed to fostering positive change, embracing innovation, and contributing to a more sustainable and equitable world.

Environment, Social, and Governance

The company is committed to upholding environmental, social, and governance (ESG) standards through responsible business practices. During the fiscal year, we focused on reducing our carbon footprint through tree plantation and energy conservation initiatives. Socially, we supported community development and promoted employee inclusivity. Our governance framework ensures transparency, accountability, and ethical conduct, strengthening stakeholder trust.

By adhering to stringent ESG criteria, we mitigate risks, create long-term shareholder value, and contribute to Pakistan's socio-economic development.

Gender Diversity

The company's Gender Diversity and Equal Opportunity Hiring Strategy is designed to promote a merit-based, inclusive approach that ensures equal access, fair evaluation, and equal pay for all candidates and employees, regardless of gender. It includes structured, bias-reducing hiring practices, gender-neutral job descriptions, diverse interview panels, and skills-based assessments to ensure all decisions are based on qualifications and potential. In addition to improving gender representation through targeted outreach, internships, and leadership development programs, the strategy ensures equal opportunity in internal promotions for all genders by applying consistent performance criteria and transparent advancement processes. Regular pay equity audits further reinforce our commitment to equal compensation for equal work. This strategy fosters a culture of fairness, opportunity, and accountability at every level.

Pattern of Shareholding

In accordance with section 227(2)(f) of the Act, the pattern of shareholding as of June 30, 2025, along with disclosures as required under the Regulations is annexed to the Annual Report.

Cash Dividends

The Board of Directors has recommended an annual cash dividend of Rs. 02 (Pak Rupee Two only) per ordinary share to the company's members whose names appear on the register of members as of 14 October 2025 out of the profits of the company for the year ended on June 30, 2025. It will be paid subject to the approval of the shareholders in the forthcoming Annual General Meeting.

Auditors

The financial statements of the company for the year 2024-25 were audited by M/s. Crowe Hussain Chaudhury & Co., Chartered Accountants. Being eligible they have offered themselves reappointment. As recommended by the Audit Committee, the Board has approved the appointment of M/s. Crowe Hussain Chaudhury and Co., Chartered Accountants, as auditors of the Company for the year ending June 30, 2026, subject to the approval of the Shareholders in the forth coming Annual General Meeting.

Acknowledgments

We would like to thank all stakeholders for their contributions in the past year. It is our stakeholders' support that makes all the company's achievements possible while helping us create a sustainable business.

We look forward to a promising and strong performance in the future.

For and on behalf of the Board

Lahore
September 03, 2025

CHIEF EXECUTIVE **DIRECTOR**

شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

برائے مختتمہ سال 30 جون 2025ء

کمپنی کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے نظر ثانی شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

اقتصادی جائزہ:

معیشت کے استحکام کے لئے وفاقی حکومت کی پالیسیاں بڑی حد تک کامیاب رہیں۔ مالی سال 2025 کی آخری سہ ماہی میں پالیسی ریٹ کو کم کر کے 11 فیصد کم کر دیا گیا، جو پچھلے مالی سال میں 22 فیصد کی چوٹی کے مقابلے میں تھا۔ مالیاتی نرمی مہنگائی کے مسلسل اعتدال سے ظاہر ہوتی ہے، جون، 2025 میں افراط زر کا دباؤ واضح طور پر کم ہو کر 3.2 فیصد ہو گیا، جو جون، 2024 میں 12.6 فی صد تھا۔ شرح تبادلہ 2%+ کی تبدیلی کے ساتھ 280 پر مستحکم رہی، مزید یہ کہ PSX-100 انڈیکس میں تاریخی اضافہ ریکارڈ کیا گیا۔ سرمایہ کاروں کا اعتماد مستحکم میکرو اکنامک ماحول، مضبوط کارپوریٹ آمدنی، گرتی ہوئی پالیسی کی شرح اور IMF کے EFF پروگرام کے کامیاب پہلے جائزے سے مضبوط ہوا۔

عالمی محاذ پر، جغرافیائی، سیاسی اور غیر یقینی صورتحال نے اجناس کی قیمتوں کو غیر مستحکم رکھا، برینٹ کروڈ کی قیمت USD 85 ڈالر اور USD 64 فی بیرل کے درمیان تھی، جس کے نتیجے میں RLNG اور HDPE جیسے خام مال کی قیمتوں میں بتدریج کمی آئی۔

کاروباری نتائج:

آپ کی کمپنی اپنے سٹیک ہولڈرز کے ساتھ مل کر جیتنے کے اپنے بنیادی مقصد کے لئے پر عزم ہے اور سب سے کم لاگت پروڈیوسر کی حیثیت سے موثر ٹیم ورک کے ساتھ حوصلہ افزائی کرنے والے افراد کو ملازمت فراہم کرتی ہے۔

بین الاقوامی پروڈیوسرز کی جانب سے مصنوعات کو پاکستان میں بھیجنے اور مقامی مارکیٹ میں فروخت اور دوسرے مینوفیکچرز کے داخلے میں رکاوٹ پیدا کرنے کے باوجود، کمپنی نے ٹارگٹڈ لاگت کو بہتر بنانے اور کارکردگی کے اقدامات کے ذریعے لچکدار منافع کو برقرار رکھا۔

ان کوششوں نے آپ کی کمپنی کو منافع کے لحاظ سے قابل ذکر نتائج حاصل کرنے کا باعث بنایا ہے۔

مجموعی مارجن 20 فیصد سے بڑھ کر 30 فیصد ہو گیا جبکہ اوور ہیڈز کو ایک بہترین سطح پر رکھتے ہوئے ٹیکس کے بعد کا خالص منافع، مالی سال 2024 میں 9 فیصد کے مقابلے 14 فیصد ہو گیا۔

سال کے دوران قرض لینے کی لاگت کو کم کیا گیا، جو سمجھدار مالیاتی انتظام اور ایک معاون شرح سود کے ماحول کی عکاسی کرتا ہے۔

SPLY کے مقابلے بعد از ٹیکس منافع PKR 507 ملین سے PKR 860 ملین ریکارڈ کیا گیا۔

یہ نتائج کمپنی کے مضبوط بنیادی اصولوں اور ایک مشکل کاروباری ماحول میں بھی ڈیلیور کرنے کی اس کی صلاحیت کو اجاگر کرتے ہیں۔

مالیاتی کارکردگی کا خلاصہ درج ذیل ہے۔

فیصد	2023	2024	**2025**	
	روپے "000"			
5%⬆	6,721,346	5,738,033	**5,998,848**	فروخت
54%⬆	2,756,429	1,154,113	**1,778,748**	مجموعی منافع
73%⬆	2,372,931	770,104	**1,334,004**	آپریشنز سے منافع
-58%⬇	(25,929)	(23,837)	**(10,031)**	مالیاتی لاگت
53%⬆	2,223,700	854,256	**1,308,996**	لیوی اور ٹیکس سے پہلے منافع
70%⬆	1,400,392	507,014	**860,162**	ٹیکس کے بعد منافع
⬆	8.00	2.90	**4.91**	آمدنی فی شیئر - بنیادی

نقدی بہاؤ کے انتظامات

اس مدت کے دوران، کمپنی نے مالی سال 2025 میں آپریٹنگ سرگرمیوں سے 1,857 ملین روپے کا مثبت نقد بہاؤ پیدا کیا جو کہ پچھلے سال 2024 میں 998 ملین روپے تھا۔ مضبوط بنیادی کاروباری کارکردگی کی عکاسی کرتا۔ یہ آپریٹنگ کیش انفلوز بنیادی طور پر سرمائے کے اخراجات کو فنڈ دینے کے لئے استعمال کیے گئے تھے جس کا مقصد پیداواری صلاحیت کو بڑھانا اور ٹیکنالوجی کے بنیادی ڈھانچے کو اپ گریڈ کرنا تھا۔ اس کے علاوہ، دستیاب نقدی کا ایک حصہ میوچل فنڈز میں لگایا گیا تھا تاکہ اضافی لیکویڈیٹی پر منافع کو بہتر بنایا جا سکے، جبکہ یہ یقینی بناتے ہوئے کہ جاری آپریشنل ضروریات کو پورا کرنے کے لئے مناسب ذخائر کو برقرار رکھا جائے۔

حفاظت اور مینوفیکچرنگ:

ہمارے ملازمین/ٹھیکیداروں کی صحت، حفاظت، ماحولیات اور تحفظ کمپنی میں بنیادی توجہ کی حامل ہے، اور یہ ڈیسکون کی بنیادی اقدار کا ایک لازمی حصہ ہے۔ مالی سال 25 کے اختتام پر، کاروبار نے مسلسل بارہ سال تک حادثہ میں ایک بھی لمحہ (LTI) ضائع کیے بغیر کام کیا، جس سے آدمیوں نے +9 ملین گھنٹے کام کیے۔ کل ریکارڈ ایبل انجری ریٹ (TRIR) اب بھی، پچھلے سال کی طرح صفر ہے۔

کمپنی ISO 9001، ISO 45001 اور ISO 14001 کے لیے تمام عالمی منظوری کے تقاضوں کی پوری طرح تعمیل کرتی ہے۔ کاروبار نے مسلسل مائع اور گیس کے اخراج کے قومی معیارات کی تعمیل کی۔ پوری افرادی قوت کی تربیت یافتہ، تعاون یافتہ اور باقاعدگی سے جانچ کی جاتی ہے، جو انہیں کم سے کم خطرے کے ساتھ اپنے کام سرانجام دینے کے قابل بناتا ہے۔ سال کے دوران، کمپنی نے قابلیت اور اہلیت کی نشوونما میں اہم تربیتی اوقات صرف کیے ہیں۔ مزید یہ کہ ادارہ جاتی یادداشت کو بڑھانے والے اقدامات کرنا جاری رکھے ہوئے ہے۔
کمپنی نے اقوام متحدہ کے پائیدار ترقی کے اہداف اور مقررہ اہداف کے مقابلے میں اچھی پیش رفت کے مطابق پائیداری کے اقدامات کیے۔ کچھ اہم اپ ڈیٹس یہ ہیں،

کچھ اہم اپڈیٹس یہ ہیں:۔

- فضلہ پلاسٹک کی ری سائیکلنگ کے ذریعے مالی سال 25-2024 کے 2H میں tCO2 5.76 کو کم کرنا۔
- 2 میگاواٹ کے سولر پراجیکٹ کا آغاز دسمبر، 2025 تک ہدف کے ساتھ مکمل کرنا۔
- پہلی بار تھرڈ پارٹی پروسس سیفٹی مینجمنٹ (PSM) آڈٹ میں 2.5 ریٹنگ حاصل کرنا۔
- 16 ویں پرسنٹائل پر 39/100 سکور کے ساتھ پہلا Ecovadis sustainability Assessment مکمل کرنا۔
- 14 ویں سالانہ NFEH ایوارڈز میں فائر اینڈ سیفٹی ایوارڈ جیتنا۔
- جنریٹرز کے آپریشن کو بہتر بنانا جس کے نتیجے میں ڈیزل کی کھپت کم ہوتی ہے۔

سال کے دوران، کمپنی نے اب تک کا سب سے زیادہ پیداواری سنگ میل بھی حاصل کیا۔ جو (Concentration 50%) 42,420 MT تک پہنچ گیا، جس سے عمدگی کے مسلسل حصول، بہتر نتائج اور بہتر آپریشنز کی عکاسی ہوتی ہے۔ توانائی اور کیمیائی عمل کو استعمال کرنے کی خاطر خواہ کوششیں کی گئی ہیں جس کی وجہ سے کمپنی کے لئے نمایاں بچت ہوئی ہے۔ مینوفیکچرنگ ایکسیلنس پروگرام پر خصوصی توجہ دی گئی تاکہ پلانٹ کے آپریشنز اور دیگر پراسس کو موثر بنایا جا سکے۔ اس مہم کے نتیجے میں گزشتہ سال 0.4% بمقابلہ 0.55% اور 1% انڈسٹری بینچ مارک میں قابل کنٹرول نقصانات میں بھی کمی آئی ہے۔

سیلز اینڈ مارکیٹنگ

مقامی ہائیڈروجن پیرو آکسائیڈ مارکیٹ اس وقت کم درآمدی قیمتوں کے دباؤ میں ہے، جو آپکی کمپنی کو شمالی خطے کے لئے درآمدی متبادل حکمت عملی کے مطابق گھریلو قیمتوں میں نیچے کی طرف ایڈجسٹمنٹ کرنے پر مجبور کر رہی ہے۔ سپلائی کافی رہی اور بین الاقوامی پروڈیوسرز پاکستان اور بھارت میں اپنی اضافی صلاحیتوں کو آف لوڈ کر رہے ہیں۔
پورے ایشیا اور مشرق وسطیٰ میں متعدد تنازعات کی وجہ سے جاری عدم استحکام کے درمیان بین الاقوامی منڈی میں مجموعی طور پر مانگ کو نیچے کی طرف دباؤ کا سامنا ہے۔

مستقبل کا نقطہ نظر:

مقامی مارکیٹ میں مجموعی مانگ سست روی کا شکار رہی، جس کی بڑی وجہ امریکی ٹیرف کے نفاذ (مارچ 2025 سے موثر) کے بعد ہونے والی غیر یقینی صورتحال ہے، تاہم درمیانی مدت کا نقطہ نظر مثبت ہے، جس کی حمایت امریکی ٹیرف کے اعلان نے پاکستان کی ٹیکسٹائل برآمدات کو بھارت کے مقابلے میں زیادہ مسابقتی بنا دیا ہے، خاص طور پر تولیہ اور گھریلو ٹیکسٹائل کے شعبے میں۔

عالمی سطح پر ایشیاء میں ہائیڈروجن پیرو آکسائیڈ مارکیٹ کے حالات مسلسل چیلنجز کا سامنا کر رہے ہیں، ڈیمانڈ کم رہنے کا امکان ہے، کیونکہ ٹیکسٹائل اور پلپ پیپر جیسی ڈاؤن اسٹریم ایپلیکیشنز کی صلاحیت میں کوئی بڑی توسیع متوقع نہیں ہے۔

مارکیٹ کا دباؤ قیمتوں میں مزید کمی کا امکان ظاہر کرتا ہے، توقع کی جاتی ہے کہ یہ دباؤ قریب کی مدت میں مارجن پر منفی وزن کو جاری رکھے گا۔

ان تمام چیلنجز کے باوجود کمپنی پر امید ہے کہ مالی سال 2026 کی پہلی ششماہی میں اینٹی ڈمپنگ ڈیوٹی کے غروب آفتاب کے جائزہ نتائج، بین الاقوامی کھلاڑیوں کے ذریعے مصنوعات کی ڈمپنگ کی حوصلہ شکنی کے لئے نان ٹیرف رکاوٹ متعارف کروانے کے لئے کمپنی کی کوششیں اور مزید سخت EFS پالیسیاں کمپنی کیلئے صحت مند مسابقت اور مثبت آپریٹنگ ماحول کو فروغ دیں گی۔

ہم شاندار نتائج حاصل کرنے کے لئے تمام سٹیک ہولڈرز کے تعاون کے لئے ان کے شکر گزار ہیں خاص طور پر ملازمین جو کہ ہمارا سب سے اہم اثاثہ ہیں۔

کارپوریٹ گورننس:

کمپنی کے بورڈ آف ڈائریکٹرز اور مینجمنٹ کمپنیز ایکٹ، 2017 ("ایکٹ") کی دفعات کے مطابق اپنی اہم ذمہ داریوں سے پوری طرح واقف ہیں۔ بورڈ نے کاروباری سرگرمیوں میں تعمیل کے لیے کاروباری اصولوں اور اعلیٰ معیارات کے مضبوط احساس کو یقینی بناتے ہوئے کارپوریٹ گورننس کے بہترین طریقوں کو اپنایا ہے۔ اس کا خلاصہ مندرجہ کمپنیوں کے ساتھ تعمیل (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ("ریگولیشنز") کے منسلک بیان میں کیا گیا ہے جس کا بیرونی آڈیٹرز کے ذریعے جائزہ لیا گیا ہے۔

ڈائریکٹرز مندرجہ ذیل بخوشی بیان کرتے ہیں:

- a. کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- b. کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- c. مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- d. مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے اور ان سے کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔
- e. اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- f. کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- g. بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈی کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے مکمل طور پر آگاہ ہیں۔
- h. فہرستی قواعد وضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عمل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- i. گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل:

ڈائریکٹرز کی کل تعداد سات (7) بشمول چیف ایگزیکٹو (Deemed ڈائریکٹر) مندرجہ ذیل ہیں:

a) مرد 6 (بشمول چیف ایگزیکٹو) (ایک عہدہ خالی ہے)

b) خاتون 1

بورڈ کی تشکیل حسب ذیل ہے:

کیٹگری	نام
آزاد ڈائریکٹرز	جناب محمد ظاہر
	(عہدہ خالی ہے)*
نان ایگزیکٹو ڈائریکٹرز	جناب فیصل داؤد (چیئرمین)
	جناب تیمور داؤد
	محترمہ مہرین داؤد
	جناب فاروق نذیر
	جناب آصف قادر
ایگزیکٹو ڈائریکٹرز	جناب محمد محسن ضیاء**
فیمیل ڈائریکٹرز	محترمہ مہرین داؤد

* جناب جہانزیب خان نے 26 جون 2025 کو استعفیٰ دے دیا، اور خالی آسامی کو جناب عمران انور نے 03 ستمبر 2025 کو غیر معیاد ختم ہونے کے لئے پر کیا۔

** جناب یاسر صدیق شیخ نے 01 جولائی 2025 کو بطور CEO جوائن کیا ہے۔ جناب محمد محسن ضیاء نے 30 جون 2025 کو استعفیٰ دے دیا تھا اور اس کے بعد جناب یاسر صدیق شیخ نے یکم جولائی 2025 کو بطور CEO جوائن کیا تھا۔

بورڈ میں تبدیلیاں:

زیر نظر مالی سال کے دوران، جناب جہانزیب خان (آزاد ڈائریکٹر) نے 26 جون 2025 کو استعفیٰ دے دیا، ان کے استعفیٰ سے پیدا ہونے والی خالی آسامی کو جناب عمران انور نے 03 ستمبر 2025 کو قانون کے مطابق 90 دن کے اندر پر کیا۔

مزید براں، سی ای او جناب محمد محسن ضیاء نے مالی سال کے آخری دن استعفیٰ دے دیا، اور جناب یاسر صدیق شیخ 01 جولائی 2025 کو نئے سی ای او کے طور پر شامل ہوئے۔

بورڈ کے اجلاس:

بورڈ کو قانونی طور پر کمپنی کی کارکردگی کی نگرانی کے لیے ہر سہ ماہی میں کم از کم ایک بار اجلاس کرنا چاہیے جس کا مقصد اس کی انتظامیہ کی مؤثر اور بروقت جوابدہی ہے۔ اجلاسوں کے دوران بورڈ کی طرف سے کیے گئے فیصلوں پر غور کیا گیا اور تمام ڈائریکٹرز کو ایکٹ کے مطابق توثیق کے لیے مقررہ وقت کے اندر باضابطہ طور پر ارسال اور بورڈ کے درج ذیل اجلاسوں میں باضابطہ طور پر منظوری دی گئی تھی۔

بورڈ کے تمام اجلاس ایکٹ اور ضوابط کے مقرر کردہ مطلوبہ کورم کے مطابق منعقد کیے گئے۔ ہر اجلاس کا ایجنڈا بروقت جاری کیا گیا۔ چیف فنانشل آفیسر اور کمپنی سیکرٹری نے بھی بورڈ کے اجلاسوں میں شرکت کی۔

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (05) اجلاس منعقد ہوئے، ڈائریکٹرز کی حاضری حسب ذیل تھی:

نام ڈائریکٹرز	اجلاسوں میں حاضری	ریمارکس
جناب تیمور داؤد	5/5	–
جناب فیصل داؤد	5/5	–
جناب فیصل داؤد	5/5	–
جناب فاروق نذیر	5/5	–
محترمہ مہرین داؤد	5/5	–
جناب آصف قادر	3/5	بورڈ نے 2 اجلاس میں غیر حاضری کی رخصت دی۔
جناب محمد ظاہر	5/5	–
جناب جہانزیب خان	3/5	بورڈ نے 2 اجلاس میں غیر حاضری کی رخصت دی۔
جناب عمران انور	–	–
جناب محمد محسن ضیاء	5/5	–
جناب یاسر صدیق شیخ	–	–

ڈائریکٹرز کی تربیت:

بورڈ کے چھ ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے سرٹیفکیٹس حاصل کر لیے ہیں جبکہ دو (2) ڈائریکٹرز کو ان کی مطلوبہ اہلیت اور درج کمپنیوں کے بورڈ میں خدمات انجام دینے کے مطلوبہ تجربے کی بنا پر ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ قرار دیا گیا ہے۔

کمپنی نے لاہور یونیورسٹی آف مینجمنٹ سائنسز کے تعاون سے ڈائریکٹرز اورینٹیشن پروگرام کا انعقاد کیا جس میں بورڈ کے اراکین اور سینئر مینجمنٹ نے شرکت کی۔ اس اقدام کو بورڈ کی تاثیر اور اسٹریٹجک صلاحیتوں کو بڑھانے کے لئے ڈیزائن کیا گیا تھا اور اس کا مقصد تعمیل اور شفافیت کے لئے کمپنی کے عزم کی تصدیق کرنا تھی۔

اندرونی آڈٹ اور کنٹرول

بورڈ آف ڈائریکٹرز نے کمپنی کے اندر تمام سطحوں پر اخلاقی طرز عمل اور اخلاقی ذمہ داری کے کلچر کو فروغ دیتے ہوئے آپریشنل اور مالیاتی کنٹرول کا ایک موثر نظام لاگو کیا ہے۔ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی کنٹرول کے فریم ورک کی موثریت کا جائزہ لیتی ہے، جب کہ اندرونی آڈٹ کا فنکشن گورننس، رسک مینجمنٹ اور کنٹرول کے عمل کی موثریت پر آڈٹ کمیٹی کو آزاد اور معروضی جائزہ اور رپورٹس فراہم کرتا ہے۔

اندرونی آڈٹ کے کام کی شفافیت اور آزادی کو یقینی بنانے کے لیے، ہیڈ آف اندرونی آڈٹ اور آوٹ سورس اندرونی آڈٹ سروس فراہم کرنے والے میسرز KPMG تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس براہ راست آڈٹ کمیٹی کو رپورٹ کرتے ہیں۔ کمپنی کا رسک بیسڈ سالانہ اندرونی آڈٹ پلان بھی آڈٹ کمیٹی منظور کرتی ہے اور اس کی

پیشرفت کا سہ ماہی بنیادوں پر جائزہ لیا جاتا ہے۔ آڈٹ کمیٹی نے داخلی آڈٹ کے مواد کا جائزہ لیا ہے، جہاں ضروری ہوا وہاں مناسب اقدامات کئے ہیں جہاں ضرورت پڑی بورڈ کی توجہ میں معاملات لائے گئے ہیں۔ جہاں ضروری ہو، مناسب تدارک اور تخفیف کے اقدامات کا اطلاق کیا گیا ہے۔

اندرونی مالیاتی کنٹرول کی کافیت:

بورڈ آف ڈائریکٹرز نے اندرونی مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے، تاکہ آپریشن کے موثر انعقاد، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنایا جا سکے۔

ڈائریکٹرز کا معاوضہ:

بورڈ ممبران کے معاوضے کا فیصلہ بورڈ کی کمیٹی کرتی ہے۔ بورڈ اس بات کو یقینی بناتا ہے کہ بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے ڈائریکٹرز کے معاوضے کے تعین کے لیے ایک شفاف اور منصفانہ طریقہ کار موجود ہو۔ اس مقصد کے لیے ڈائریکٹرز کے معاوضے کے تعین کی پالیسی کی منظوری دی گئی اور اس پر عمل درآمد کیا گیا ہے۔ آزاد ڈائریکٹرز کو صرف اجلاس میں شرکت کی فیس ادا کی جا رہی ہے۔ آزاد ڈائریکٹرز کو ادا کی گئی فیس کی مجموعی رقم کا انکشاف مالیاتی حسابات کے نوٹ [نوٹ 38] میں کیا گیا ہے۔

بورڈ کی کارکردگی کا جائزہ:

بورڈ کے چیئرمین نے بورڈ کے اراکین کی مشاورت سے بورڈ اور اس کی کمیٹیوں کے لیے ایک تشخیصی منصوبہ تیار کیا ہے تاکہ یہ یقینی بنایا جا سکے کہ بورڈ اور اس کی کمیٹیاں اپنے کردار اور ذمہ داریوں سے پوری طرح واقف ہوں۔ بورڈ مستقل بنیادوں پر اپنی کارکردگی، اور اپنے اراکین اور کمیٹیوں کی کارکردگی کا جائزہ لیتا ہے۔ جیسا کہ ضوابط کے تحت بیان کیا گیا ہے، بورڈ نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کے ذریعے اپنی کارکردگی، اپنے اراکین اور اپنی کمیٹیوں کا جائزہ لیا ہے۔ سروے کو شرکا کی طرف سے خوب پذیرائی ملی اور انھوں نے اطمینان کا اظہار اور قیمتی رائے دی۔ سروے کی بنیاد پر PICG کی طرف سے ایک تفصیلی رپورٹ مرتب اور چیئرمین کے ساتھ شیئر کی گئی۔ مذکورہ تشخیصی رپورٹ میں ایکٹ، ضوابط اور پالیسیوں اور طریقہ کار سے کوئی اہم انحراف نہیں پایا گیا۔

بورڈ کی کمیٹیاں:

بورڈ کی کارروائیوں اور درست فیصلہ سازی میں مدد کے لیے، بورڈ نے چار کمیٹیاں قائم کی ہیں آڈٹ کمیٹی کی صدارت آزاد ڈائریکٹرز کرتے ہیں۔

آڈٹ کمیٹی:

آڈٹ کمیٹی اپنی نگرانی کی ذمہ داریوں کو پورا کرنے میں معاونت کرتی ہے جبکہ بنیادی طور پر حصص یافتگان کو مروجہ ضوابط اور اکاؤنٹنگ کے معیارات کے مطابق مالی یا غیر مالیاتی معلومات کا جائزہ لیتی ہے۔ آڈٹ کمیٹی ایک مضبوط کنٹرول ماحول کو فروغ دینے میں بورڈ کو سہولت فراہم کرتی ہے، جس کی مدد اندرونی کنٹرول کے مستحکم نظام موجود ہیں۔

ضوابط کی تعمیل میں، آڈٹ کمیٹی کی صدارت ایک آزاد ڈائریکٹر کرتا ہے۔

آڈٹ کمیٹی تین (3) ارکان پر مشتمل ہے، جو کہ درج ذیل ہے:

جناب محمد ظاہر (آزاد ڈائریکٹر) چیئرمین

جناب فاروق نذیر (نان ایگزیکٹو ڈائریکٹر) ممبر

TBN

آڈٹ کمیٹی کے کل 4 اجلاس ہوئے، جن میں اراکین کی حاضری حسب ذیل تھی۔

نام رکن	اجلاسوں میں حاضری
جناب فاروق نذیر	4/4
جناب محمد ظاہر	4/4
جناب جہانزیب خان	3/4

انسانی وسائل اور معاوضہ کمیٹی:

ہیومن ریسورس اینڈ ریمنریشن کمیٹی قائم کی گئی ہے تاکہ وہ معاوضے کے تمام عناصر اور پالیسیوں اور طریقہ کار کا جائزہ لے کر بورڈ کو سفارش کرے جو انسانی وسائل کے مؤثر کام کے لیے اپنانے کی ضرورت ہے۔

ہیومن ریسورس اینڈ ریمنریشن کمیٹی مندرجہ ذیل تین (3) ارکان پر مشتمل ہے:

جناب فاروق نذیر (نان ایگزیکٹو ڈائریکٹر) - چیئرمین

جناب فیصل داؤد (نان ایگزیکٹو ڈائریکٹر) - ممبر

جناب محمد ظاہر (آزاد ڈائریکٹر) - ممبر

ہیومن ریسورس اینڈ ریمنریشن کمیٹی کے کل 4 اجلاس ہوئے، جن میں اراکین کی حاضری حسب ذیل تھی۔

نام رکن	اجلاسوں میں حاضری
جناب فاروق نذیر	4/4
جناب فیصل داؤد	4/4
جناب محمد ظاہر	4/4

انٹرپرائز رسک مینجمنٹ کمیٹی:

رسک مینجمنٹ کمیٹی کو انٹرپرائز رسک مینجمنٹ فریم ورک کے بارے میں معلومات کی نگرانی اور جائزہ لینے، کمپنی کو متاثر کرنے والے تمام خطرات کے انتظام کے لیے استعمال کیے جانے والے طریقوں میں بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کی مدد کرنے کے لیے تشکیل دیا گیا۔

انٹرپرائز رسک مینجمنٹ کمیٹی مندرجہ ذیل چار (04) ارکان پر مشتمل ہے:

جناب یاسر صدیق شیخ (ایگزیکٹو ڈائریکٹر) چیئرمین

محترمہ رابعہ شعیب (چیف فنانشل آفیسر) ممبر

جناب مشفق حسین (ورکس مینیجر) ممبر

محترمہ نور شجاع (ہیڈ مشترکہ خدمات) ممبر

کمپلائنس کمیٹی:

کمپلائنس کمیٹی قابل اطلاق قانونی اور ریگولیٹری تقاضوں، صنعت کے معیارات اور کمپنی کے اخلاقیات اور کاروباری طرز عمل کے ساتھ کمپنی کی تعمیل کی نگرانی کے لیے تشکیل دی گئی تھی۔

کمپلائنس کمیٹی مندرجہ ذیل چار (04) ارکان پر مشتمل ہے:

جناب یاسر صدیق شیخ	(ایگزیکٹو ڈائریکٹر) چیئرمین
محترمہ رابعہ شعیب	(چیف فنانشل آفیسر) ممبر
جناب مشفق حسین	(ورکس مینیجر) ممبر
محترمہ نور شجاع	(ہیڈ مشترکہ خدمات) ممبر

متعلقہ پارٹی لین دین:

آڈٹ کمیٹی نے بورڈ کو تمام متعلقہ پارٹی لین دین کا جائزہ اور سفارش پیش کی اور بورڈ نے ان کی منظوری دی۔ تمام متعلقہ پارٹی لین دین معمول کے کاروبار میں اور قابل رسائی کی بنیاد پر کیے گئے کمپنی تمام متعلقہ پارٹی لین دین کا مکمل ریکارڈ برقرار رکھتی ہے جیسا کہ کمپنیز (متعلقہ پارٹی ٹرانزیکشنز اور مینٹیننس آف ریلیٹڈ ریکارڈز) ریگولیشنز، 2018 میں بیان کیا گیا ہے۔ کمپنی نے اس سالانہ رپورٹ کے ساتھ منسلکہ مالی گوشواروں میں متعلقہ پارٹی لین دین کا تفصیلی انکشاف کیا ہے۔ اس طرح کا انکشاف ایکٹ کے 4th شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کے تقاضوں کے مطابق ہے۔

سماجی سرمایہ کاری:

گزشتہ ایک سال کے دوران، کمپنی نے کارپوریٹ اور اپنی وابستہ سماجی ذمہ داری کو پورا کرنے میں اہم پیش رفت کی ہے۔ پائیداری، کمیونٹی میں شمولیت، اور اخلاقی طریقوں کے لیے کمپنی کی لگن نے ایک ایسا اثر پیدا کیا ہے جو اقدار اور معاشرے کی بہتری سے ظاہر ہوتا ہے۔ توانائی کے مؤثر اقدامات اور فضلہ کو کم کرنے کی حکمت عملیوں کے ذریعے، کمپنی نے بجلی کی کھپت کے عنصر میں 4% کی کمی حاصل کی جس سے کاربن کے اخراج میں نمایاں کمی واقع ہوئی ہے۔

پائیدار کیمیکل مینجمنٹ کے طریقوں کے مطابق، کمپنی نے اپنی کیمیکل آپٹیمائزیشن ڈرائیو کے ذریعے Tetra Butyl Urea کی کھپت کو 26% اور Solvesso کی کھپت کو 13% تک کم کر دیا۔

پچھلے سال کمپنی نے قریبی دیہاتوں میں آگ بجھانے میں مدد کرنے کے لئے اپنے پلانٹ کی جگہ پر ریسکیو 1122 کے 12 فائر فائٹنگ ٹینکرز کو بھرنے میں سہولت فراہم کرتے ہوئے پڑوسی کمیونٹیوں کو بھی براہ راست مدد فراہم کی۔ آگے دیکھتے ہوئے، کمپنی مثبت تبدیلی کو فروغ دینے، اختراع کو اپنانے اور زیادہ پائیدار اور مساوی دنیا میں تعاون کرنے کے لئے پرعزم ہے۔

ماحولیات، سماجی اور گورننس:

کمپنی ذمہ دار کاروباری طریقوں کے ذریعے ماحولیاتی، سماجی اور گورننس (ای ایس جی) کی تعمیل کو یقینی بنانے کے لئے پرعزم ہے۔ مالی سال کے دوران، کمپنی نے اپنے کاربن فٹ پرنٹ کو کم کرنے اور شجر کاری اور توانائی کے تحفظ کے ذریعے ماحول کے تحفظ کے اقدامات کو نافذ کر کے ماحولیاتی انتظام کو ترجیح دی ہے۔ سماجی طور پر، ہم نے کمیونٹی ڈویلپمنٹ پروگراموں میں سرمایہ کاری کی ہے اور ملازمین کے درمیان شمولیت کو فروغ دیتا ہے۔ ہمارا گورننس فریم ورک تمام آپریشنز میں شفافیت، احتساب اور اخلاقی طرز عمل کو یقینی بناتا ہے، جس سے اسٹیک ہولڈرز کے درمیان اعتماد کو فروغ ملتا ہے۔

سخت ای ایس جی معیارات پر عمل کرتے ہوئے، ہم نہ صرف کمپنی کے لئے خطرات کو کم کرتے ہیں بلکہ اپنے شیئر ہولڈرز کے لئے طویل مدتی قدر بھی پیدا کرتے ہیں اور پاکستان کے سماجی و اقتصادی منظر نامے میں مثبت کردار ادا کرتے ہیں۔

صنفی تنوع:

کمپنی کے صنفی تنوع اور مساوی مواقع کی خدمات حاصل کرنے کی حکمت عملی، میرٹ پر مبنی، جامع طریقہ کار کو فروغ دینے کے لئے ڈیزائن کیا گیا ہے، جو صنف سے قطع نظر تمام امیدواروں اور ملازمین کے لئے مساوی رسائی، منصفانہ تشخیص اور مساوی تنخواہ کو یقینی بناتا ہے۔ اس میں سٹرکچرڈ، تعصب کو کم کرنے والی ہائرنگ کے طریقے، صنفی غیر جانبدار ملازمت کی تفصیل، متنوع انٹرویو پینلز، اور مہارت پر مبنی جائزے شامل ہیں تاکہ یہ یقینی بنایا جا سکے کہ تمام فیصلے اہلیت اور صلاحیت پر مبنی ہیں۔ ٹارگٹڈ آؤٹ ریچ، انٹرن شپس اور لیڈرشپ ڈویلپمنٹ پروگراموں کے ذریعے صنفی نمائندگی کو بہتر بنانے کے علاوہ حکمت عملی، کارکردگی کے مستقل معیار اور شفاف ترقی کے عمل کو لاگو کر کے تمام صنفوں کے لئے اندرونی ترقیوں میں مساوی مواقع کو یقینی بناتی ہے۔ باقاعدگی سے پے ایکویٹی آڈٹ مساوی کام کے معاوضے ہمارے عزم کو مزید تقویت دیتے ہیں۔ یہ حکمت عملی ہر سطح پر انصاف، موقع اور جوابدہی کی ثقافت کو فروغ دیتی ہے۔

شیئر ہولڈنگ کا نمونہ:

ایکٹ کے سیکشن (f)(2)227 کے مطابق، 30 جون 2025 تک شیئر ہولڈنگ کا نمونہ ضابطوں کے تحت مطلوب انکشافات کے ہمراہ سالانہ رپورٹ سے منسلک ہے۔

نقد منافع منقسمہ:

بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے منافع میں سے حصص یافتگان (جن کے نام 14 اکتوبر، 2025 تک ممبران کے رجسٹر پر ظاہر ہوتے ہیں) کے لئے 02 روپے (-/2 روپے فی عام شیئر) پر حتمی نقد منافع منقسمہ کی سفارش کی ہے۔ یہ آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز سے منظوری کے بعد ادا کیا جائے گا۔

آڈیٹرز:

سال 2025-2024 کے لیے کمپنی کے مالی حسابات میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی طرف سے نظر ثانی شدہ ہیں۔ اہل ہونے کی بناء پر انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش پر، بورڈ نے ریٹائر ہونے والے آڈیٹرز میسرز کرو حسین چوہدری اینڈ کو چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر دوبارہ مقرر کرنے کی منظوری دی ہے۔ یہ آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

اظہار تشکر

ہم تمام اسٹیک ہولڈرز کو گزشتہ سال میں ان کے تعاون کا شکریہ ادا کرتے ہیں۔ یہ ہمارے اسٹیک ہولڈر کا تعاون ہے جس نے کمپنی کی تمام کامیابیوں کو ممکن بنایا جبکہ ایک پائیدار کاروبار کرنے میں ہماری مدد کی ہے۔

ہم مستقبل میں بھی امید افزا اور مستحکم کارکردگی کے خواہاں ہیں۔

منجانب بورڈ

چیف ایگزیکٹو

ڈائریکٹر

لاہور

03 ستمبر 2025ء

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024 OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Name of Company: Descon Oxychem Limited

Following is the gender pay gap calculated for the year ended June 30, 2025:

I. Mean Gender Pay Gap: 0.43%

II. Median Gender Pay Gap: 17.8%

III. Any other data/details as deemed relevant: Not Applicable

We are an equal opportunity employer, commited to fair & equitable compensation practices with no disparity on gender. Our hiring process actively supports gender diversity and inclusion.

For and on behalf of the Board of Directors of the Company.

Chief Executive Officer
Date: September 03, 2025

Key Operating and Financial Data

Particular	2025	2024	2023	2022	2021	2020	2019
	....(Rs. in 000)						
Summary of Profit and Loss							
Sales	5,916,317	5,694,089	6,721,346	4,250,493	2,804,903	2,641,615	2,704,957
Cost of Goods Sold	(4,211,771)	(4,581,139)	(3,964,917)	(3,148,688)	(2,191,962)	(1,780,357)	(1,874,206)
Gross Profit	1,704,546	1,112,950	2,756,429	1,101,805	612,941	861,258	830,751
Operating profit	1,262,105	732,453	2,373,160	901,271	456,933	707,754	703,288
Finance Cost	(9,905)	(23,807)	(25,929)	(52,568)	(64,691)	(81,420)	(79,181)
Profit / (loss) before tax	1,236,719	816,635	2,223,942	802,446	387,945	588,862	578,474
Profit / (loss) after tax	790,159	471,039	1,400,634	470,877	278,703	418,423	394,269
EBITDA	1,623,529	1,249,826	2,647,292	1,208,320	767,359	865,738	835,263
Financial Position							
Share Capital - Ordinary	1,750,311	1,750,311	1,750,311	1,750,311	1,750,311	1,508,889	1,020,000
Share Capital - Preference	-	-	-	-	-	-	-
Reserves including unappropriated profit	1,517,162	1,427,127	1,306,150	605,642	309,796	181,982	(236,441)
Long term borrowings - Current & Non Current Portion	99,216	126,115	153,489	357,824	1,131,689	223,131	877,631
Property, plant and equipment	1,758,840	1,992,978	2,293,287	2,489,830	2,439,580	2,031,207	1,483,894
Net Current Assets	1,304,145	1,445,718	1,017,792	345,629	598,336	295,749	263,173
Investor Information							
Gross profit margin (%)	28.81	19.55	41.01	25.92	21.85	32.60	30.71
EBITDA margin to sales (%)	27.44	21.95	39.39	28.43	27.36	32.77	30.88
Pre tax margin (%)	20.90	14.34	33.09	18.88	13.83	22.29	21.39
Net profit margin (%)	13.36	8.27	20.84	11.08	9.94	15.84	14.58
Return on equity (%)	24.16	14.81	45.78	19.96	13.51	21.62	50.32
Return on capital employed (%)	36.33	21.04	70.44	31.17	14.04	29.93	39.19
Current Ratio	2.19	3.30	1.61	1.34	2.22	1.60	1.58
Quick Ratio	1.11	1.46	0.86	0.59	1.44	0.55	0.82
Debtors turnover (days)	14	21	9	20	9	8	11
Inventory turnover (days)	57	50	66	29	26	38	14
Creditors turnover (days)	74	47	84	89	59	84	61
Operating cycle (no. of days)	(3.10)	24	(9)	(40)	(24)	(39)	(36)
Debt: Equity (Ratio)	6:94	4:96	5:95	13:87	35:65	10:90	53:47
Interest cover (Times)	127.42	30.77	91.53	17.14	7.06	8.69	8.88
Earnings / (loss) per share (pre tax) (Rupees)	7.07	4.67	12.71	4.58	2.22	4.80	5.67
Earnings / (loss) per share (after tax) (Rupees) - Basic	4.51	2.69	8.00	2.69	1.59	2.85	3.87
Earnings / (loss) per share (after tax) (Rupees) - Dilluted	4.51	2.69	8.00	2.69	1.59	2.85	2.70
Share Price	31.78	22.40	24.22	15.70	26.84	29.85	16.05
Price Earnings Ratio	7.04	8.33	3.03	5.84	16.88	10.47	4.15
Breakup Value Per Share (Rupees)	18.69	18.17	17.48	13.48	11.79	12.83	7.68
Hydrogen Peroxide Production (MTs)	42,420	40,371	42,131	40,550	32,816	31,814	30,836
Hydrogen Peroxide Sales (MTs)	42,286	40,958	42,100	42,363	34,898	31,412	30,823
Trading General Sales (MTs)	-	-	-	1,470	3,838	4,146	6,343

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

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Descon Oxychem Limited ("the Company") for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1.	12 & 19	The Chairman of the Human Resource and Remuneration Committee is not an Independent Director as required under regulation 28(2) of the Regulations.

Lahore
Dated: September 03, 2025
UDIN: CR202510051mzjwLcNnW

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Statement of Compliance
with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company: **Descon Oxychem Limited**

Year ending: June 30, 2025

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") in the following manner:

1. The total numbers of directors are 7 (including the Chief Executive Officer) as per the following:

   a) Male: 6
   b) Female: 1
2. The Composition of the Board is as follows:

Category	Names
Independent Directors*	Mr. Muhammad Zahir
	(Position Vacant)**
Non-Executive Directors	Mr. Taimur Dawood
	Mr. Faisal Dawood
	Mr. Farooq Nazir
	Mrs. Mehreen Dawood
	Mr. Asif Qadir
Executive Director	Mr. Muhammad Mohsin Zia***
Female Directors	Mr. Mehreen Dawood

   * In respect of Independent Directors, the Company believes it has sufficient impartially and is able to exercise independence in decision-making within the Board and hence, does not require to round up the fraction to 3 independent directors;

   **Mr. Jehanzeb Khan, Independent Director, resigned on June 26, 2025, and Mr. Imran Anwer was appointed as an Independent Director on the Board on September 03, 2025.

   *** Mr. Muhammad Mohsin Zia resigned as CEO on June 30th, 2025, and Mr. Yasir Siddique Sheikh was appointed as CEO on July 1st, 2025;

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act 2017 (the "Act") and the Regulations with respect to frequency, recording and circulating minutes of the Meetings of the Board;

8. The Board of Directors has a formal policy and transparent procedures for the remuneration of directors in accordance with Act and these Regulations;

9. Six (06) of the Directors have obtained certificates of Directors' Training program; whereas two (02) Directors are exempted from Directors' Training program by virtue of their requisite qualification and required experience of serving on the board of listed companies.

10 The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed three committees comprising the members given below:

a) Audit Committee

i. Mr. Muhammad Zahir (Independent Director) - Chairman
ii. Mr. Farooq Nazir (Non-executive Director)
iii. Mr. Jehanzeb Khan(Independent Director)*
(*Explained in SOC point 2)

b) Human Resource and Remuneration Committee

i. Mr. Farooq Nazir (Non-executive Director) – Chairman*
ii. Mr. Faisal Dawood (Non-executive Director) – Member
iii. Mr. Muhammad Zahir (Independent Director) – Member
(*Explained in SOC point 19 below)

c) Enterprise Risk Management Committee

I. Mr. Yasir Siddique Sheikh (Executive Director) – Chairman.
ii. Ms. Rabia Shoaib (Chief Financial Officer)
iii. Mr. Mushfiq Hussain (Works Manager)
iv. Mrs. Noor Shuja (Head Shared Services)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14 The frequency of meetings of the committees were as per following:

a) Audit Committee:
Four (04) quarterly meetings were held during the financial year ended June 30, 2025.

b) Human Resource and Remuneration Committee:
Four (04)meetings of Human Resource and Remuneration Committee were held during the financial year ended June 30, 2025.

c) Enterprise Risk Management Committee:
Four (04) meetings of the Enterprise Risk Management Committee were held during the financial year ended June 30, 2025.

15. The Board has outsourced the internal audit function to M/s. KPMG Taseer Hadi and Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27,32, 33 and 36 are given below:

Sr. No.	Regulation No.	Description	Explanation
1	28 (2)	The chairman of the Human Resource and Remuneration Committee shall be an independent director and the chief executive officer may be included as a member of the committee.	The present Chairman Human Resource & Remuneration Committee is appointed due to his extensive experience as Board and Human Resource & Remuneration Committee member.
2	10A (5) of CCG Regulation, 2019.	The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee having at least one female director.	The function is performed by the Enterprise Risk Management Committee of the Audit Committee of the Board.

Lahore
September 03, 2025

Faisal Dawood
Chairman

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INDEPENDENT AUDITOR'S REPORT

To the members of Descon Oxychem Limited

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of DESCON OXYCHEM LIMITED (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAS) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matters	How the Matter was Addressed in our Report
1- Revenue	
Refer to notes 3.14 & 27 to the unconsolidated financial statements. Revenue of the Company amounted to Rs. 5,916.317 million for the year ended June 30, 2025.	Our key audit procedures included · Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls.

Key Audit Matters	How the Matter was Addressed in our Report
The Company is primarily engaged in the manufacturing and sale of hydrogen peroxide at different concentrations. We identified recognition of revenue as a key audit matter due to revenue being one of the key performance indicators of the Company.	· Assessed the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. · Performed walkthroughs of sales cycle including order booking, dispatch, invoicing and recording in GL. · Compared a sample of revenue transactions recorded during the year with customers' orders, sales invoices, delivery orders and other relevant underlying documents. · Obtained an understanding of types of contracts with the customers and compared a sample of revenue transactions recorded during the year with sales orders. · Selected samples of sales invoices and traced to delivery challans, GRNs, and customer acknowledgments. · Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. · Reconciled trial balance revenue with sales tax returns. · Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
2 - Stock in trade	
Refer to note 3.11 & 22 to the unconsolidated financial statements which reflect stock in trade at the reporting date. Stock in trade has increased from Rs 631.425 million to Rs 653.599 million. We have considered this area as a key audit matter due to its size, representing 14.30% of the total assets of the Company as at June 30, 2025 and the judgment involved in valuation. Further, determining an appropriate write-down as a result of net realizable value (NRV) and provision for slow-moving stock in trade involves management judgement and estimation.	Our key audit procedures included: · Inquired and assessed the design and operating effectiveness of the Company's internal controls over inventories. · Observed physical inventory count procedures as at the year end and compared physically counted inventories with closing inventory reports provided by the management. · Inspected purchase documents on sample basis to check quantity and value of certain stock. · Checked and evaluated the accuracy of valuation of closing stock. · Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. · Assessed the provision for slow moving stocks as at the reporting date and assessed whether it is in accordance with the Company's policy and relevant accounting and reporting standards. · Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basic of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) zakat deductible at source under the Zakat and Ushr ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Crowe Hussain Ch. & Co

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: September 03, 2025
UDIN: AR20251005147YBglfi3

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2025

	Note	2025	2024
		---- Rupees in Thousands ----	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
300,000,000 (2024: 300,000,000) Ordinary shares of Rs. 10 each		3,000,000	3,000,000
Issued, subscribed and paid up share capital	5	1,750,311	1,750,311
Share premium	6	3,022	3,022
Unappropriated profit		1,517,162	1,427,127
		3,270,495	3,180,460
Non Current Liabilities			
Long term financing	7	66,099	86,405
Deferred grant	8	6,218	10,814
Deferred tax liability	9	131,652	204,072
		203,969	301,291
Current Liabilities			
Trade and other payables	10	851,614	585,834
Accrued finance costs	11	990	1,241
Finances under mark up arrangements - secured	12	114,257	-
Current portion of non current liabilities	13	26,899	28,896
Dividend payable		18,966	11,243
Income tax payable	14	83,488	-
		1,096,214	627,214
Contingencies and Commitments	15	-	-
Total Equity and Liabilities		4,570,678	4,108,965

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

	Note	2025	2024
		---- Rupees in Thousands ----	
ASSETS			
Non Current Assets			
Property, plant and equipment	16	1,758,840	1,992,978
Intangible assets	17	391,722	16,404
Long term investment	18	1,964	1,964
Long term loans	19	2,416	4,483
Long term deposits	20	15,377	20,204
		2,170,319	2,036,033
Current Assets			
Stores and spares	21	526,234	523,937
Stock in trade	22	653,599	631,425
Trade debts	23	227,986	321,461
Loans, advances, deposits, prepayments and other receivables	24	99,651	53,209
Short term investments	25	700,628	140,055
Tax refund due from the government	14	-	127,530
Bank balances	26	192,261	275,315
		2,400,359	2,072,932
Total Assets		4,570,678	4,108,965

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the Year Ended June 30, 2025

	Note	2025	2024
		---- Rupees in Thousands ----	
Sales	27	5,916,317	5,694,089
Cost of sales	28	(4,211,771)	(4,581,139)
Gross Profit		1,704,546	1,112,950
Administrative expenses	29	(247,984)	(189,921)
Distribution and selling costs	30	(194,457)	(190,576)
		(442,441)	(380,497)
Operating Profit		1,262,105	732,453
Other operating expenses	31	(120,968)	(64,624)
Finance cost	32	(9,905)	(23,807)
Other income	33	105,487	172,613
Profit before Levy and Taxation		1,236,719	816,635
Levy / final taxation	34	(15,599)	(29,280)
Profit before Taxation		1,221,120	787,355
Taxation	34		
- Income tax		(503,381)	(304,345)
- Deferred tax		72,420	(11,971)
		(430,961)	(316,316)
Net Profit for the Year		790,159	471,039
Earnings per Share - Basic and Diluted	35	4.51	2.69

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE — CHIEF FINANCIAL OFFICER — DIRECTOR

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended June 30, 2025

	2025	2024
	---- Rupees in Thousands ----	
Net Profit for the Year	790,159	471,039
Other comprehensive income		
Items that will not be re-classified subsequently to profit or loss	-	-
Items that may be re-classified subsequently to profit or loss	-	-
Total Comprehensive Income for the Year	790,159	471,039

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended June 30, 2025

Particulars	Issued, Subscribed and Paid up Capital	Capital Reserve	Revenue Reserve	Total
		Share Premium	Unappropriated Profit	
		---- Rupees in Thousands ----		
Balance as at June 30, 2023	1,750,311	3,022	1,306,150	3,059,483
Net profit for the year	-	-	471,039	471,039
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	471,039	471,039
Transactions with owners				
Final dividend for the year ended June 30, 2023 @ 20% (Rs. 2 per share)	-	-	(350,062)	(350,062)
Balance as at June 30, 2024	1,750,311	3,022	1,427,127	3,180,460
Net profit for the year	-	-	790,159	790,159
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	790,159	790,159
Transactions with owners				
Final dividend for the year ended June 30, 2024 @ 20% (Rs. 2 per share)	-	-	(350,062)	(350,062)
Interim dividend for the period ended December 31, 2024 @ 20% (Rs. 2 per share)	-	-	(350,062)	(350,062)
	-	-	(700,124)	(700,124)
Balance as at June 30, 2025	1,750,311	3,022	1,517,162	3,270,495

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended June 30, 2025

	Note	2025	2024
		---- Rupees in Thousands ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	36	1,893,326	811,710
Finance cost paid		(10,156)	(19,864)
Income tax and levy paid		(307,962)	(1,037,830)
Profit on deposits received		20,653	29,998
Long term deposit		-	2,000
Long term loan to employees - net		3,042	3,208
		(294,423)	(1,022,488)
Net Cash Generated from / (Used in) Operating Activities		1,598,903	(210,778)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(137,761)	(100,352)
Intangible assets purchased		(381,116)	-
Proceeds from disposal of property, plant and equipment		72	94
Short term investments purchased		(2,702,623)	(492,799)
Short term investments redeemed		2,143,011	1,249,778
Dividend received		1,503	91,557
Net Cash (Used in) /Generated from Investing Activities		(1,076,914)	748,278
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		(26,899)	(27,374)
Lease liabilities		-	(24,789)
Finances under mark up arrangements - net		114,257	(110,383)
Dividends paid		(692,401)	(347,996)
Net Cash Used in Financing Activities	37	(605,043)	(510,542)
Net (Decrease) / Increase in Cash and Cash Equivalents		(83,054)	26,958
Cash and cash equivalents at the beginning of the year		275,315	248,357
Cash and Cash Equivalents at the End of the Year		192,261	275,315

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended June 30, 2025

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 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	18-KM Ferozepur Road, Lahore
Production Plant / Factory	18- KM, Lahore-Sheikhupura Road, Lahore

2 Basis of Preparation

2.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and

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

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

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except to the extent of the following:

Long term financing	Note 7	(stated at Present value)
Deferred grant	Note 8	(stated at Present value)
Long term loans	Note 19	(stated at Present value)
Short term investments	Note 25	(stated at Fair value)

2.3 Functional and presentation currency

These unconsolidated financial statements are prepared and 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.

2.4 Use of estimates and judgments

The preparation of these unconsolidated financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these unconsolidated financial statements relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.8 & 16
- Provision for obsolescence of inventories - Note 3.10, 3.11, 21 & 22
- Expected credit loss allowance – Note 3.6.1, 23
- Estimation of contingent liabilities - Note 3.7 & 15

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's unconsolidated financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IAS 01	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 07	Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IFRS 07	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 01, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measure sale and lease back transactions	January 01, 2024

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

Standard or Interpretation		**Effective Date - Annual Periods** Beginning on or After
IAS 21	Amendments to lack of exchangeability	January 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-Related Disclosures	July 01, 2025

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1 First Time Adoption of IFRS
IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 19 IFRS 19 'Subsidiaries Without Public Accountability: Disclosures’

3. Material Accounting Policy Information

Material accounting policy information adopted in the preparation of these unconsolidated financial statements is set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

3.1 Provisions

A provision is recognized in the unconsolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.2 Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or

- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.2.1 Company as a lessee

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

3.2.1.1 Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

3.2.1.2 Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the unconsolidated profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

3.3 Taxation

Income tax expense for the year comprises current and deferred tax and is recognized in the unconsolidated statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternate corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternate corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid, irrespective of current and prior period, exceeds the amount due to those periods the excess recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFRIC 21. Further, the Company also charges tax expense under levy when tax is calculated under final tax regime.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

3.4 Post employment benefits - Defined contribution scheme

A recognized Voluntary Contributory Provident Fund Scheme (the Scheme) is in operation covering all permanent employees. Equal monthly contributions are made by the Company and employees in accordance with the rules of the Scheme.

3.5 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at transaction price if these do not contain a significant financing component in accordance with IFRS 15.

Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing as at the reporting date. The difference arising is charged to profit or loss.

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in the profit or loss.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures in which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the trade debtors and the economic environment.

3.6.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc. The Company does not reclassify any of its financial liabilities.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortization is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

3.6.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the unconsolidated statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.8 Property, plant and equipment

Owned

Property, plant and equipment except freehold land is stated at cost less accumulated depreciation and identified impairment losses, if any. Freehold land is stated at cost. Cost of property, plant and equipment consists of historical cost; borrowing cost pertaining to the construction and erection period; and directly attributable costs of bringing assets to their working condition. Subsequently assets are stated at cost less accumulated depreciation and identified impairment loss, if any.

Depreciation is charged to profit or loss using straight line method so as to write off the historical cost of an asset over its estimated useful life at the rates specified in Note 16 without taking into account any residual value which is considered insignificant. Depreciation on additions is charged from the day on which the asset is available for use up to the day in which the asset is disposed off.

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Day to day maintenance, normal repairs and gains or losses on disposal of property, plant and equipment are included in the current year's profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. Cost may also include borrowing costs, if any. These are transferred to operating fixed assets as and when these are available for use.

Major spare parts, catalyst and standby equipment

Major spare parts, catalyst and standby equipment qualify as property, plant and equipment when the Company expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

3.9 Investments in subsidiaries

Investments in subsidiaries where the Company has control over the subsidiary is measured at cost in the Company's unconsolidated financial statements in accordance with IAS-27 'Consolidated and Separate Financial Statements'

The Company is required to publish consolidated financial statements along with its separate financial statements, in accordance with the requirements of IFRS 10 'Consolidated Financial Statements' and IAS 27 'Consolidated and separate financial statements'.

3.10 Stores and spares

These are valued at lower of moving average cost and net realizable value while items considered obsolete, if any, are carried at nil value. Cost is determined using the weighted average pricing method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management's best estimate.

3.11 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw materials	- Moving average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost

Manufacturing cost in relation to finished goods comprises cost of materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

3.12 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts as at the reporting date. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods to the customer.

3.13 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and cash at banks in current and savings accounts.

3.14 Revenue recognition

Revenue is recognized when the performance obligation is satisfied by applying the following five steps of revenue recognition:

a) Identify the contract with a customer
b) Identify the performance obligation in the contract
c) Determine the transaction price of the contract
d) Allocate the transaction price to each of the separate performance obligations in the contract
e) Recognize the revenue as the Company satisfies a performance obligation

Revenue is recognized at a point in time, when the Company satisfies performance obligations by transferring goods to its customers and when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Control is transferred when the goods are dispatched to the customers, in case of local sales and in case of export sales when goods are shipped to the customers and loaded on vessel or delivered at port. The transaction price is fixed and decided mostly through internal and external factors. The contracts do not contain the right of return as the goods are dispatched to the customer after their inspection and acceptance.

3.15 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

3.16 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.

3.17 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on such assets are charged to the profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount over its remaining useful life.

3.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (the Chief Executive Officer of the Company) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities.

4 Other Accounting Policy Information

Other accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

4.1 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the unconsolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment, if any, are included in non current liabilities as deferred income and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

4.2 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to the profit or loss in the period in which they are incurred.

4.3 Dividend distributions

Dividends to shareholders of the Company are recognized as a liability in the period in which these are approved.

4.4 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Cost of intangible assets i.e. ERP software includes purchase cost and directly attributable expenses incidental to bring the software to its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible asset. However, costs associated with the maintenance of software are recognized as an expense in profit and loss.

All intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using the straight line method so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the date the asset is acquired or capitalized uptil the date the asset is disposed off. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant. Intangible assets are amortized at the rates specified in Note 17.

4.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels of fair value measurement which are as under:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 — Unobservable inputs for the asset or liability.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

4.6 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognized in the profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

5 Issued, Subscribed and Paid up Share Capital

2025	2024		2025	2024
Number of Shares			---- Rupees in Thousands ----	
102,000,000	102,000,000	Ordinary shares of Rs. 10 each fully paid in cash	1,020,000	1,020,000
48,888,866	48,888,866	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash (note 5.2)	488,889	488,889
24,142,218	24,142,218	Ordinary shares of Rs. 10 each fully paid as bonus shares (note 5.3)	241,422	241,422
175,031,084	175,031,084		1,750,311	1,750,311

5.1 As at the reporting date, the shares of the Company as held by its holding company and associated companies are as under:

	2025	2024	2025	2024
	Shareholding %		Number of shares	
DEL Chemicals (Private) Limited (the holding company)	34.48%	34.48%	60,358,918	60,358,918
Descon Engineering Limited (DEL)	32.40%	32.40%	56,711,084	56,711,084
Descon Corporation (Private) Limited	5.74%	5.74%	10,051,697	10,051,697
	72.62%	72.62%	127,121,699	127,121,699

5.2 The Company, vide an Extraordinary General Meeting, on November 27, 2019, issued 48,888,866 ordinary shares as right shares to DEL at a premium of Rs. 5 per share on January 29, 2020.

5.3 The Company in the year 2021 issued 24,142,218 bonus shares of Rs. 10 each against share premium of Rs. 241.422 million on the basis that 16 shares were issued for every 100 shares held by the shareholders.

5.4 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

5.5 No shares of the Company were cancelled or further issued during the year.

6. Share Premium

The Company issued 24,142,218 ordinary shares of Rs. 10 as bonus shares as referred to in note 5.3 against the share premium of Rs. 241.422 million in terms of section 81 of the Companies Act, 2017. The outstanding amount of Rs. 3.022 million (2024: Rs. 3.022 million) can be utilized by the Company only for the purposes as specified in section 81 of the Companies Act, 2017.

7. Long Term Financing

	Note	2025	2024
		---- Rupees in	Thousands ----
Allied Bank Limited	7.1	99,216	126,115
Less: Deferred grant		(10,821)	(16,944)
		88,395	109,171
Less: Current portion shown under current liabilities	13	(22,296)	(22,766)
		66,099	86,405

7.1 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. Out of the available limit of Rs. 487 million, the Company had utilized Rs. 174.84 million. The recognized portion as at the reporting date is exclusive of grant of Rs. 10.821 million (2024: Rs. 16.944 million). 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 (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.

8 Deferred Grant

	Note	2025	2024
		---- Rupees in	Thousands ----
Deferred grant	8.1	10,821	16,944
Less: Current portion		(4,603)	(6,130)
		6,218	10,814

8.1 This represents the value of benefit of below market interest rate which has been accounted for as government grant under IAS 20, "Accounting for Government Grant and Disclosure for Government Assistance".

8.2 The grant is amortized in line with the terms of long term financing. During the year, deferred grant of Rs. 6.123 million (2024: Rs. 7.349 million) has been amortized and netted off against the finance cost (refer to Note 32).

9 Deferred Tax Liability

	2025	2024
	---- Rupees in Thousands ----	
Taxable temporary differences		
Accelerated tax depreciation	149,173	210,092
Unrealized gain on short term investments	240	46
	149,413	210,138
Deductible temporary differences		
Provision for obsolescence of inventories	(9,935)	(1,344)
Provision for doubtful advances	(1,499)	(1,499)
Expected credit loss allowance	(5,904)	(2,420)
Other	(423)	(803)
	(17,761)	(6,066)
	131,652	204,072

9.1 Reconciliation of deferred tax liabilities

	2025	2024
Opening balance	204,072	192,100
Deferred tax recognized in profit or loss	(72,420)	11,972
Deferred tax recognized in other comprehensive income	-	-
Closing balance	131,652	204,072

9.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 39% (2024: 39%).

9.3 Analysis of change in deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2025	2024	2025	2024
	---- Rupees in Thousands ----			
Accelerated tax depreciation	149,173	210,092	(60,919)	(48,328)
Unrealized gain on short term investments	240	46	194	(1,379)
Provision for obsolescence of inventories	(9,935)	(1,344)	(8,591)	55,489
Expected credit loss allowance	(5,904)	(2,420)	(3,484)	530
Provision for doubtful advances	(1,499)	(1,499)	-	(1,499)
Others	(423)	(803)	380	7,159
	131,652	204,072	(72,420)	11,972

10 Trade and Other Payables

	Note	2025	2024
		---- Rupees in Thousands ----	
Trade creditors	10.1	173,498	129,057
Contract liabilities	10.2	118,829	85,724
Accrued liabilities	10.3	459,472	294,706
Worker's (profit) participation fund	10.4	48,073	43,963
Worker's welfare fund	10.5	27,654	18,666
Other liabilities		22,335	11,947
Provident fund payable	10.6	1,753	1,771
		851,614	585,834

10.1 Trade creditors includes interest free amounts due to related parties in the normal course of business as follows:

	2025	2024
	---- Rupees in	Thousands ----
Descon Engineering Limited	3,060	10,098
Descon Corporation (Private) Limited	1,816	4,359
Inspectest (Private) Limited	1,345	-
	6,221	14,457

10.2 These contract liabilities are expected to be satisfied during the year ended June 30, 2026 (2024: June 30, 2025).

10.3 This includes Rs. 50.495 million (2024: Rs. 20.951 million) payable to Descon (Private) Limited against royalty, Rs. 3.392 million (2024: Rs. 3.195 million) for inspection services to Inspectest (Private) Limited and Rs. 5.168 million (2024: Rs. 5.168 million) to Descon Engineering Limited for engineering services.

10.4 Workers' (profit) participation fund

	2025	2024
	---- Rupees in	Thousands ----
Opening balance	43,963	120,942
Add: Provision for the year	48,073	43,963
Add: Interest for the year	-	-
Less: Payments made to the fund during the year	(43,963)	(120,942)
Closing balance	48,073	43,963

10.5 Worker's welfare fund

	2025	2024
Opening balance	18,666	44,239
Add: Provision for the year	27,654	18,666
Less: Payments made during the year	(18,666)	(44,239)
Closing balance	27,654	18,666

10.6 All investments out of provident fund have been made in the collective investment schemes, listed equity and debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

11 Accrued Finance Costs

	Note	2025	2024
		---- Rupees in	Thousands ----
Long term financing		514	647
Finances under mark up arrangements - secured		476	594
	11.1	990	1,241

11.1 This represents markup accrued from conventional banks against borrowings utilized during the year.

12 Finances Under Mark up Arrangements

	2025	2024
	---- Rupees in	Thousands ----
Banking companies - Secured		
Running finance	114,257	-

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

12.1 Terms and conditions of borrowings

Purpose

The Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 3,075 million (2024: Rs. 2,475 million) including running finance facilities amounting to Rs. 1,650 million (2024: Rs. 1,650 million), to meet the working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables, issue guarantee and loan against trust receipts etc.

Markup

Mark-up on these facilities is charged using 1 to 3 months KIBOR + spread of 0.25% to 1% (2024: 1 to 3 months KIBOR + spread of 0.25% to 0.75%) per annum, payable on quarterly basis in arrears. Furthermore, some LCs carry LC opening commission against LCs at 0.10% to 0.25% per quarter.

Securities

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, current assets of the Company, shipping documents, trust receipts, master counter guarantee, cash margins and lien over title of imported goods.

13 Current Portion of Non Current Liabilities

	Note	2025	2024
		---- Rupees in	Thousands ----
Long term financing	7	22,296	22,766
Deferred grant	8	4,603	6,130
		26,899	28,896

14 Income Tax Payable / (Tax Refund Due from Government)

	2025	2024
Opening balance	(127,530)	576,675
Add: Charge for the year	557,640	275,389
Add: Prior year adjustment	(38,660)	28,956
	391,450	881,020
Less: Payment / adjustments	(307,962)	(1,008,550)
Income tax payable / (Tax refund due from the government)	83,488	(127,530)

14.1 The provision for current year tax represents corporate tax at 29% (2024: 29%) and super tax at the rate of 10% (2024: 10%) as per the Income Tax Ordinance, 2001.

14.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2024 as tax returns were filed under the self assessment scheme.

15 Contingencies and Commitments

15.1 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 (2024: Rs. 55.32 million) in these financial statements. However, the Company has provided guarantee of Rs. 55.32 million (2024: Rs. 55.32 million) to SNGPL.

15.2 Guarantees

The Company has issued guarantees to the following parties:

	2025	2024
	---- Rupees in Thousands ----	
Against performance of contracts:		
Sui Northern Gas Pipelines Limited	151,286	151,286
Pakistan State Oil Company Limited	3,500	3,500
Al-Technique Corporation of Pakistan	28,407	28,407
	183,193	183,193

Post dated cheques issued in favor of National Tariff Commission of Pakistan and Collector of Customs aggregate to Rs. 42.14 million (2024: Rs. 42.14 million).

15.3 Commitments

The Company has the following commitments in respect of:

	2025	2024
Letters of credits	293,983	158,549
Contractual commitments	-	4,790

16 Property, Plant and Equipment

	Note	2025	2024
		---- Rupees in Thousands ----	
Operating fixed assets - owned assets	16.1	1,613,944	1,843,325
Capital work in progress	16.2	25,199	58,447
Major spare parts, catalysts and standby equipment	16.3	119,697	91,206
		1,758,840	1,992,978

16.1 Operating fixed assets

Year Ended June 30, 2025

Description	Freehold Land	Buildings on Freehold Land	Plant, Machinery and Equipment	Plant, Machinery and Equipment - Catalyst	Laboratory Equipment	Material Handling Equipment	Tools and Equipment	Computers and related Equipment	Electrical Equipment	Office Equipment	Furniture and Fixture	Vehicles	Total
							---- Rupees in Thousands ----						
Cost													
Balance as at July 01, 2024	101,316	420,647	4,357,713	30,405	17,575	4,174	45,106	30,313	1,989	22,458	19,830	16,622	5,068,148
Additions	-	39,195	73,239	-	515	-	12,698	8,819	3,035	4,369	648	-	142,518
Disposals during the year	-	-	-	-	-	-	-	(716)	-	-	-	-	(716)
Write off	-	-	(23,582)	-	(797)	(628)	(353)	(5,590)	(171)	(2,758)	(2,786)	(67)	(36,732)
Balance as at June 30, 2025	101,316	459,842	4,407,370	30,405	17,293	3,546	57,451	32,826	4,853	24,069	17,692	16,555	5,173,218
Accumulated depreciation													
Balance as at July 01, 2024	-	241,012	2,863,541	27,765	15,724	3,192	21,016	21,330	1,989	10,887	11,123	7,244	3,224,823
Charge for the year	-	30,761	315,759	378	956	180	8,333	5,804	368	3,487	2,648	2,433	371,107
Disposals during the year	-	-	-	-	-	-	-	(569)	-	-	-	-	(569)
Adjustment	-	-	(23,049)	-	(797)	(628)	(310)	(5,578)	(171)	(2,708)	(2,779)	(67)	(36,087)
Balance as at June 30, 2025	-	271,773	3,156,251	28,143	15,883	2,744	29,039	20,987	2,186	11,666	10,992	9,610	3,559,274
Balance as at June 30, 2025	**101,316**	**188,069**	**1,251,119**	**2,262**	**1,410**	**802**	**28,412**	**11,839**	**2,667**	**12,403**	**6,700**	**6,945**	**1,613,944**
Depreciation rates	-	5% to 25%	6.25% to 33%	10% to 50%	6.25% to 20%	20%	6.25% to 33%	33%	20%	20%	10% to 20%	20%	

Year Ended June 30, 2024

Description	Freehold Land	Buildings on Freehold Land	Plant, Machinery and Equipment	Plant, Machinery and Equipment - Catalyst	Laboratory Equipment	Material Handling Equipment	Tools and Equipment	Computers and Related Equipment	Electrical Equipment	Office Equipment	Furniture and Fixture	Vehicles	Total
							---- Rupees in Thousands ----						
Cost													
Balance as at July 01, 2023	101,316	361,531	4,294,619	27,197	17,575	4,016	31,323	25,096	1,989	17,686	13,676	16,622	4,912,646
Additions	-	59,116	63,094	3,208	-	158	13,783	6,082	-	4,842	6,204	-	156,487
Disposals during the year	-	-	-	-	-	-	-	(865)	-	(70)	(50)	-	(985)
Balance as at June 30, 2024	101,316	420,647	4,357,713	30,405	17,575	4,174	45,106	30,313	1,989	22,458	19,830	16,622	5,068,148
Accumulated depreciation													
Balance as at July 01, 2023	-	217,729	2,531,109	23,142	14,439	3,036	13,870	15,994	1,975	8,500	9,342	4,728	2,843,864
Charge for the year	-	23,283	332,432	4,623	1,285	156	7,146	6,167	14	2,457	1,831	2,516	381,910
Adjustment	-	-	-	-	-	-	-	(831)	-	(70)	(50)	-	(951)
Balance as at June 30, 2024	-	241,012	2,863,541	27,765	15,724	3,192	21,016	21,330	1,989	10,887	11,123	7,244	3,224,823
Balance as at June 30, 2024	**101,316**	**179,635**	**1,494,172**	**2,640**	**1,851**	**982**	**24,090**	**8,983**	**-**	**11,571**	**8,707**	**9,378**	**1,843,325**
Depreciation rates	-	5% to 10%	6.25% to 33%	10% to 50%	6.25% to 20%	20%	6.25% to 33%	33%	20%	20%	10% to 20%	20%	

16.1.1 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location / Address	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
18 Km Lahore Sheikhupura Road	Production plant and factory	1,220,000	566,280

16.1.2 No fixed assets were disposed off during the year having individual book value exceeding Rs. 500,000 or more.

16.1.3 Apportionment of depreciation charge for the year

Depreciation charge for the year has been apportioned as follows:	Note	2025	2024
		---- Rupees in	Thousands ----
Cost of sales	28	366,657	378,102
Administrative expenses	29	3,336	2,894
Distribution cost	30	1,114	914
		371,107	381,910

16.1.4 All assets are in the name of the Company and in the Company's possession and control.

16.1.5 Borrowings of the Company are secured against first pari passu charge over all present and future fixed assets (plant and machinery) of the Company amounting to Rs. 880 million (2024: Rs. 880 million) and ranking charge over present and future fixed assets (plant and machinery) of the Company amounting to Rs. 22 million (2024: Rs. 22 million).

16.1.6 The cost of fully depreciated assets which are still in use as at June 30, 2025 is Rs. 816.500 million (2024: Rs. 89.114 million).

16.2 Capital work-in-progress

		2025	2024
		---- Rupees in	Thousands ----
Plant and machinery		18,556	46,842
Civil works		-	10,500
Others		6,643	1,105
	16.2.1	25,199	58,447

16.2.1 Reconciliation of the carrying amount is as follows:

	2025				
	Balance as at July 01, 2024	Expenditure incurred during the year	Inter classification	Transfers to operating assets	Balance as at June 30, 2025
	---- Rupees in Thousands ----				
Plant and machinery	46,842	21,732	-	(50,018)	18,556
Civil works	10,500	27,705	-	(38,205)	-
Others	1,105	10,381	-	(4,843)	6,643
	58,447	59,818	-	(93,066)	25,199

	2024				
	Balance as at July 01, 2023	Expenditure incurred during the year	Inter classification	Transfers to operating assets	Balance as at June 30, 2024
	---- Rupees in Thousands ----				
Plant and machinery	21,594	45,378	40,147	(60,277)	46,842
Civil works	39,576	39,863	-	(68,939)	10,500
Others	12,879	951	-	(12,725)	1,105
Advances to suppliers and contractors	40,147	-	(40,147)	-	-
	114,196	86,192	-	(141,941)	58,447

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

16.3 Major spare parts, catalyst and standby equipment

	Note	2025	2024
		---- Rupees in	Thousands ----
The reconciliation of carrying amount is as follows:			
Opening balance		91,206	91,592
Additions		77,507	161,759
Less: Transfers during the year		(49,016)	(162,145)
Closing balance		119,697	91,206

17 Intangible Assets

	Note	2025	2024
Softwares	17.1	12,298	16,404
Capital work-in-progress	17.6	379,424	-
		391,722	16,404

17.1 Break up of softwares

	Note	2025	2024
Net Carrying Value			
Opening balance		16,404	25,161
Additions during the year		1,692	-
		18,096	25,161
Amortization during the year	17.2	(5,798)	(8,757)
Closing balance		12,298	16,404
Gross Carrying Value			
Cost		159,976	158,284
Accumulated amortization		(147,678)	(141,880)
Net book value		12,298	16,404
Amortization rate per annum		10% - 33.33%	10% - 33.33%

17.2 Amortization charge for the year has been allocated as follows:

	Note	2025	2024
Cost of sales	28	2,965	5,641
Administrative expenses	29	2,833	3,116
		5,798	8,757

17.3 Intangible assets represent the cost of ERP software.

17.4 The residual value of these intangible assets is insignificant. These intangibles are not internally generated.

17.5 Intangible assets included fully amortised assets still in the use of the Company having cost amounting to Rs. 133.365 million (2024: Rs. 127.900 million).

17.6 This represents advance payment made by the Company for acquisition of licence, technical know-how and data related to processes of the Company.

18 Long Term Investment

This represents 25 ordinary shares of AED 1,000 each, representing 100% (2024: 100%) shares in the Company's subsidiary, Descon Oxychem FZE, a limited liability company setup in Hamriyah Free Zone, Sharjah, United Arab Emirates. As of the reporting date, no payment has been made against its share capital. The investment in subsidiary is accounted for at cost in accordance with IAS-27.

19 Long Term Loans

	2025	2024
	---- Rupees in	Thousands ----
Due from employees - considered good	6,750	9,792
Present value adjustment	(1,084)	(2,059)
	5,666	7,733
Current portion of long term loans	(3,250)	(3,250)
	2,416	4,483

19.1 This represents interest free loan given to employees in accordance with the terms of employment. The loan is secured against the property documents and is recoverable over a period of five years including grace period of one year. These loan are discounted using effective interest rate ranging from 17.73% to 18.14% per annum (2024: 17.73% to 18.14% per annum).

20 Long Term Deposits

	Note	2025	2024
		---- Rupees in	Thousands ----
Utility companies		15,102	15,102
Other deposits	20.1	275	5,102
		15,377	20,204

20.1 These are in the normal course of business and are interest free.

21 Stores and Spares

	Note	2025	2024
General stores and spares	21.1	269,073	243,170
General stores and spares in transit		14,787	24,499
Working solution		267,848	259,713
Less: Provision for obsolescence	21.2	(25,474)	(3,445)
		526,234	523,937

21.1 General stores and spares include raw material for working solution of Rs. 39.874 million (2024: Rs. 52.528 million).

21.2 Movement of provision for obsolescence is as under:

	2025	2024
Opening balance	3,445	103,389
Provision for the year	22,029	-
	25,474	103,389
Less: Stores and spares written off	-	(99,944)
Closing balance	25,474	3,445

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

22 Stock in Trade

	Note	2025	2024
		---- Rupees in Thousands ----	
Raw materials		230,510	464,897
Raw materials in transit		209,962	29,672
Packing material		26,372	17,994
Finished goods	22.1		
- purchased for resale		-	639
- own manufactured		186,755	118,223
		653,599	631,425

22.1 This includes provision for obsolescence of finished goods amounting to Rs. 1.249 million (2024: Rs. 1.249 million).

23 Trade Debts

	Note	2025	2024
		---- Rupees in Thousands ----	
Considered good:	23.1		
-Local sales		145,122	171,540
-Export sales	23.2	82,864	149,921
Considered doubtful		15,139	6,204
		243,125	327,665
Less: Expected credit loss allowance	23.3	(15,139)	(6,204)
		227,986	321,461

23.1 These include balances amounting to Rs. 122.653 million (2024: Rs. 158.415 million) secured by way of inland letter of credit.

23.2 Trade debts include an amount of Rs. 80.439 million due from related party (2024: Rs. 149.621 million) as at June 30, 2025. The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 135.187 million (2024: Rs. 149.621 million). The aging of this balance is as under:

	Within 1 Year	1 to 2 Years	2 to 5 Years	Total
	---- Rupees in Thousands ----			
Descon Oxychem FZE - 2025	80,439	-	-	80,439
Descon Oxychem FZE - 2024	149,621	-	-	149,621

23.3 Expected Credit Loss Allowance

	2025	2024
	---- Rupees in Thousands ----	
Opening balance	6,204	6,204
Loss allowance for the year	8,935	-
	15,139	6,204
Less: Bad debts written off	-	-
	15,139	6,204

23.4 Trade debtors do not have any history of default.

24 Loans, Advances, Deposits, Prepayments and Other Receivables

	Note	2025	2024
		---- Rupees in Thousands ----	
Advances to supplier - Unsecured			
- Considered good		39,913	15,079
- Considered doubtful		3,843	3,843
		43,756	18,922
Provision for doubtful advances	24.1	(3,843)	(3,843)
		39,913	15,079
Advances and short term loans to employees (Unsecured - Considered good)	24.2	14,413	5,334
Security deposits		6,915	6,915
Sales tax refundable - Net		33,522	14,577
Prepayments		4,888	6,755
Contract asset		-	4,549
		99,651	53,209

24.1 Provision for doubtful advances

	2025	2024
Opening balance	3,843	1,848
Charge for the year	-	1,995
	3,843	3,843
Less: Balance written off	-	-
Balance as at June 30,	3,843	3,843

24.2 These include current portion of interest free loans amounting to Rs. 3.250 million (2024: Rs. 3.250 million) given to employees as per the Company's policy (refer to Note 19). These loans are recoverable within 12 months from salary in monthly installments.

25 Short Term Investments

	2025	2024
	---- Rupees in Thousands ----	
Fair Value through Profit or Loss		
NBP Money Market Fund		
69.833 million units (2024: 8.369 million units)	700,627	83,760
NBP Cash Fund		
Nil (2024: 5.624 million units)	-	56,295
NBP Financial Sector Income Fund		
88.325 units (2024: Nil)	1	-
	700,628	140,055

26 Bank Balances

	Note	2025	2024
		---- Rupees in Thousands ----	
Current accounts	26.1	90,340	181,842
Saving accounts	26.2	101,921	93,473
	26.3	192,261	275,315

26.1 This includes shariah compliant bank deposits in Meezan Bank Limited amounting to Rs. 58.918 million (2024: Rs. 18.665 million).

26.2 These carry mark up at the rate of 10% to 15% (2024: 19.5% to 20.5%) per annum.

26.3 The above figures reconcile to the amount of cash and cash equivalents shown in the statement of cash flow.

27 Sales

	Note	2025	2024
		---- Rupees in Thousands ----	
Gross sales			
- Local		6,888,614	6,434,955
- Export		222,884	374,989
	27.1	7,111,498	6,809,944
Commission		(141,331)	(140,713)
Sales tax		(1,053,850)	(975,142)
		5,916,317	5,694,089

27.1 Gross sales are recognized at a point in time.

27.2 Contract balances

	Note	2025	2024
Trade receivables	27.3	227,986	321,461
Contract liabilities	27.4	118,829	85,724
Contract assets		-	4,549

27.3 Trade receivables are non-interest bearing and become due after 30 to 120 days of invoice date.

27.4 Contract liabilities represents short term advances received from customers against delivery of goods in future. Revenue recognized in the current year that was included in the contract liabilities at the beginning of the year amounts to Rs. 82.034 million (2024: Rs. 122.800 million).

27.5 Geographical markets

	2025	2024
Asia	222,884	371,938
Africa	-	3,051
	222,884	374,989

28 Cost of Sales

	Note	2025	2024
		---- Rupees in	Thousands ----
Raw materials consumed		2,390,534	2,307,629
Packing materials		12,467	16,883
Salaries, wages and other benefits	28.1	317,308	253,839
Repairs and maintenance		129,423	307,441
Shut down expenses		-	28,771
Fuel and power		879,526	1,079,531
Quality assurance		5,453	5,801
Services through contractors		97,666	83,864
Travelling and conveyance		14,324	15,636
Communication		2,778	2,247
Rent and rates		34,872	8,679
Insurance		23,821	25,262
Safety items consumed		4,561	4,429
Amortization of intangible assets	17.2	2,965	5,641
Depreciation on property, plant and equipment:			
- owned assets	16.1.3	366,657	378,102
- right of use assets		-	18,717
Miscellaneous		6,326	18,401
		4,288,681	4,560,873
Add: Opening work in process		17,994	33,513
Less: Closing work in process		(26,372)	(17,994)
		(8,378)	15,519
Cost of goods produced		4,280,303	4,576,392
Add: Opening finished goods		118,223	122,970
Less: Closing finished goods		(186,755)	(118,223)
		(68,532)	4,747
		4,211,771	4,581,139

28.1 Salaries, wages and other benefits include Rs. 6.855 million (2024: Rs. 6.81 million) in respect of provident fund contribution by the Company.

29 Administrative Expenses

	Note	2025	2024
Salaries, allowances and other benefits	29.1	151,134	101,283
Vehicle running and maintenance		6,519	8,601
Entertainment		5,145	1,953
Communication		1,474	537
Printing and stationery		3,907	1,926
Travelling and conveyance		7,582	924
Repairs and maintenance		2,594	1,512
Insurance		58	70
Donations	29.2	11,470	18,806
Fees and subscriptions		32,243	27,286
Legal and professional fee		10,926	12,297
Auditors' remuneration	29.3	5,725	5,725
Depreciation on property, plant and equipment	16.1.3	3,336	2,894
Amortization of intangible assets	17.2	2,833	3,116
Miscellaneous		3,038	2,991
		247,984	189,921

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

29.1 Salaries, wages and other benefits include Rs. 3.165 million (2024: Rs. 2.680 million) in respect of provident fund contribution by the Company.

29.2 This represents donation made to M/s Bilquis Abdul Razzak Dawood Foundation, a related party due to common directorship.

29.3 Auditors' remuneration:

- Audit fee	2,900	2,900
- Half yearly review	1,100	1,100
- Audit of group financial statements, group reporting and other certifications	1,725	1,725
	5,725	5,725

30 Distribution and Selling Costs

	Note	2025	2024
		---- Rupees in Thousands ----	
Salaries, allowances and other benefits	30.1	34,767	46,006
Communication		1,176	624
Travelling and conveyance		20,481	18,588
Advertisement		20,349	17,934
Insurance		62	44
Freight and forwarding		62,508	48,315
Fees and subscriptions		16,192	16,452
Royalty	30.2	29,544	28,443
Rent, rates and taxes		7,657	11,732
Depreciation on property, plant and equipment	16.1.3	1,114	914
Miscellaneous		607	1,524
		194,457	190,576

30.1 Salaries, wages and other benefits include Rs. 0.743 million (2024: Rs. 0.830 million) in respect of provident fund contribution by the Company.

30.2 This represents royalty charged by Descon (Private) Limited, a related party due to common directorship, located at Descon Headquarters, 18-Km, Ferozepur Road, Lahore.

31 Other Operating Expenses

	Note	2025	2024
		---- Rupees in Thousands ----	
Worker's (profit) participation fund	10.4	48,073	43,963
Worker's welfare fund	10.5	27,654	18,666
Balances written off		14,202	-
Provision for obsolescence of stores and spares		22,029	-
Expected credit loss allowance		8,935	-
Loss on disposal of property, plant and equipment		75	-
Loss allowance for doubtful advances		-	1,995
		120,968	64,624

32 Finance Cost

	Note	2025	2024
		---- Rupees in	Thousands ----
Markup on :			
- Long term finance	32.1	2,726	2,808
- Finances under markup arrangements - secured		894	10,111
- Lease liabilities		-	3,047
Bank and other charges		6,285	7,841
		9,905	23,807

32.1 Amortization of deferred grant of Rs. 6.123 million (2024: Rs. 7.349 million) has been netted off against markup on long term finances.

33 Other Income

	2025	2024
	---- Rupees in	Thousands ----
Profit on bank deposits	20,653	29,998
Dividend income from short term investments	1,503	91,557
Realized gain on sale of short term investments	60,891	3,851
Unrealized gain on short term investments	961	308
Unwinding of long term loan	975	1,726
Scrap sales	6,274	9,533
Gain on disposal of property, plant and equipment	-	60
Exchange gain	14,230	4,170
Excess liability written back	-	31,410
	105,487	172,613

34 Taxation

	2025	2024
- Current year	542,041	275,389
- Adjustment for prior years	(38,660)	28,956
	503,381	304,345
Deferred tax	(72,420)	11,971
	430,961	316,316

34.1 Reconciliation of tax charge for the year

	2025	2024
Profit before levy and taxation	1,236,719	816,635
Tax @ 29% (2024: 29%) on profit before taxation	358,649	236,824
Adjustment on account of normal tax	39,031	(38,479)
Prior year tax	(38,660)	28,956
Super tax	144,361	77,044
Deferred taxation	(72,420)	11,971
	430,961	316,316

34.2 Reconciliation of Levy and Income tax under IAS-12

	2025	2024
Current tax liability as per applicable tax laws	518,980	333,625
Portion of current tax liability representing income tax as per IAS -12	(503,381)	(304,345)
Portion of current tax liability representing levy as per IFRIC 21 / IAS 37	(15,599)	(29,280)
Difference	-	-

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

34.3 The current tax expense for the year is calculated using corporation tax rate of 29% (2024: 29%) and super tax at 10% (2024: 10%). Deferred tax assets and liabilities on temporary differences are measured at effective rate of 39% (2024: 39%).

35 Earnings per Share

		2025	2024
Profit for the year	Rupees in thousand	790,159	471,039
Weighted average number of ordinary shares	Number in thousand	175,031	175,031
Earning per share - basic	Rupees	4.51	2.69

35.1 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 the reporting date which would have any effect on the earnings per share if the option to convert is exercised.

36 Cash Generated from Operations

	Note	2025	2024
		---- Rupees in Thousands ----	
Profit before levy and taxation		1,236,719	816,635
Adjustments for:			
- Depreciation on property, plant and equipment	16.1.3	371,107	381,910
- Depreciation on right of use asset		-	18,717
- Amortization of intangible asset	17	5,798	8,757
- Balances written off	31	14,202	-
- Provision for obsolescence of stores and spares	31	22,029	-
- Excess liability written back	33	-	(31,410)
- Unwinding of long term loan	33	(975)	(1,726)
- Provision for doubtful advances	31	-	1,995
- Interest on bank deposits	33	(20,653)	(29,998)
- Dividend income	33	(1,503)	(91,557)
- Unrealized gain on investment	33	(961)	(308)
- Expected credit loss allowance	33	8,935	-
- Net exchange gain	33	(14,230)	(4,170)
- Finance cost	32	9,905	23,807
- Loss / (gain) on disposal of property, plant and equipment	31 & 33	75	(60)
		393,729	275,957
Operating profit before working capital changes		1,630,448	1,092,592
(Increase) / decrease in current assets			
- Stores and spares		(24,326)	16,353
- Stock in trade		(30,904)	85,752
- Trade debts		84,540	(155,957)
- Loans and advances		(46,442)	63,991
Increase / (decrease) in current liabilities			
- Trade and other payables		280,010	(291,021)
		262,878	(280,882)
Cash Generated from Operations		1,893,326	811,710

37 Liabilities Arising from Financing Activities

	Note	As at June 30, 2024	Non-cash changes	Cash flows (Net)	As at June 30, 2025
		---- Rupees in Thousands ----			
Long term financing	7	126,115	-	(26,899)	99,216
Dividend payable		11,243	700,124	(692,401)	18,966
Finances under mark up arrangements - secured	12	-	-	114,257	114,257
Total liabilities from financing activities		137,358	700,124	(605,043)	232,439

	Note	As at June 30, 2023	Non-cash changes	Cash flows (Net)	As at June 30, 2024
		---- Rupees in Thousands ----			
Long term financing - secured	7	153,489	-	(27,374)	126,115
Dividend payable		9,177	350,062	(347,996)	11,243
Lease liabilities		21,742	3,047	(24,789)	-
Finances under mark up arrangements - secured	12	110,383	-	(110,383)	-
Total liabilities from financing activities		294,791	353,109	(510,542)	137,358

38 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in the financial statements for the year as remuneration and benefits paid to the chief executive officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Non-Executive Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	---- Rupees in Thousands ----							
Remuneration	25,537	22,990	-	-	84,926	68,589	110,463	91,579
Meeting fee	-	-	1,313	2,125	-	-	1,313	2,125
Contribution to provident fund	1,581	1,424	-	-	4,253	3,939	5,834	5,363
Car allowance	1,164	1,164	-	-	15,171	14,353	16,335	15,517
Medical facility	578	-	-	-	1,821	1,538	2,399	1,538
Bonus	1,884	5,069	-	-	5,654	11,485	7,538	16,554
Advisory fee	-	-	-	15,240	-	-	-	15,240
	30,744	30,647	1,313	17,365	111,825	99,904	143,882	147,916
Number of persons	1	1	7	7	19	14		

38.1 An Executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

39 Balances and Transaction with Related Parties

Related parties comprise the holding 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. The Company enters into transactions with related parties 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 or received for any related party's receivable or payable balances. Significant balances and transactions with related parties are as follows:

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

Transaction during the year

Nature of Transaction	Related Party	Relationship	2025	2024
			---- Rupees in Thousands ----	
1. Sale of Goods				
Sale of goods	Descon Oxychem FZE	Subsidiary	190,686	161,870
Sale of goods	Descon Engineering Limited	Associate	57	77
2. Goods / Services Purchased				
Ticketing purchased	Interworld Travels (Private) Limited	Associate	7,477	1,211
Ticketing purchased	Popular Travels and Tours	Associate	-	573
Services for Manpower, Calibration and PSV Calibration	Inspectest (Private) Limited	Associate	18,458	18,169
Purchase and other services	Descon Engineering Limited	Associate	2,804	6,600
IT Services	Descon Corporation (Private) Limited	Associate	-	8,406

Reimbursement of cost

3. Expenses Charged by Related Parties	2025	2024
	---- Rupees in Thousands ----	
Descon Engineering Limited	23,780	21,557
Descon Corporation (Private) Limited	67,406	59,791
Descon Oxychem Limited - Employees Provident Fund Trust	11,009	10,165
Descon (Private) Limited	29,544	28,443
4. Expenses Charged to Related Parties		
Descon Corporation (Private) Limited	8,496	6,398
5. Payments Received / (Made) - Net		
Descon Engineering Limited	(33,565)	(21,527)
Descon Corporation (Private) Limited	(61,453)	(60,854)
Descon (Private) Limited	-	(32,598)
Descon Oxychem FZE	270,630	13,065
Interworld Travels (Private) Limited	(7,729)	(1,211)
Popular Travels and Tours	-	(573)
Inspectest (Private) Limited	(17,113)	(16,336)
6. Dividends Paid		
Descon Engineering Limited	226,844	113,420
Descon Corporation (Private) Limited	40,206	20,094
DEL Chemicals (Private) Limited	241,436	120,702
7. Loan Repayment and Donation		
Afzal Ali	750	500
Muhammad Mushfiq Hussain	2,500	2,500
Bilquis Abdul Razzak Dawood Foundation	11,470	14,006

Balance outstanding as at June 30,		
Trade Debts		
Descon Oxychem FZE	80,439	149,621
Trade Creditors		
Descon Engineering Limited	3,060	10,098
Descon Corporation (Private) Limited	1,816	4,359
Inspectest (Private) Limited	1,345	-
Accrued Liabilities		
Descon Engineering Limited	5,168	5,168
Descon (Private) Limited	50,495	20,951
Inspectest (Private) Limited	3,392	3,195

39.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S. No.	Company Name	Relationship	% of Shareholding
1	DEL Chemicals (Private) Limited	Holding Company	34.48%
2	Descon Engineering Limited	Associate	32.40%
3	Descon Corporation (Private) Limited	Associate	5.74%
4	Interworld Travels (Private) Limited	Associate	N/A
5	Inspectest (Private) Limited	Associate	N/A
6	Descon (Private) Limited	Associate	N/A
7	Descon Oxychem FZE	Subsidiary	100.00%
8	Mr. Taimoor Dawood	Director	0.11%
9	Mr. Farooq Nazir	Director	0.0003%
10	Mr. Faisal Dawood	Director	0.0666%
11	Ms. Mehreen Dawood	Director	0.0003%
12	Mr. Asif Qadir	Director	0.0003%
13	Mr. Jehanzeb Khan	Director	0.0003%
14	Mr. Muhammad Zahir	Director	0.0003%
15	Mr. Yasir Siddique	Chief Executive Officer	None
16	Mr. Muhammad Mushfiq Hussain	Key Management Personnel	None
17	Ms. Rabia Shoaib	Key Management Personnel	None
18	Mr. Tauheed Ahmed Khan	Key Management Personnel	None
19	Mr. Adil Akbar	Key Management Personnel	None
20	Ms. Shanzay Haider	Key Management Personnel	None
21	Mr. Azhar Ali	Key Management Personnel	None
22	Mr. Fawad Ul Islam Hirani	Key Management Personnel	None
23	Mr. Afzal Ali	Key Management Personnel	None
24	Mr. Imran Rauf Butt	Key Management Personnel	None
25	Mr. Muhammad Bilal Hussain	Key Management Personnel	None
26	Mr. Mujahid Ali	Key Management Personnel	None

40 Financial Risk Management

40.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding import and export payments.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to US Dollars, Great Britain Pounds and UAE Dirham. The Company's exposure to currency risk as at reporting date is as follows:

	2025	2024
	---- Rupees in Thousands ----	
Export receivables	82,864	149,921
Foreign currency bank	25,516	44,639
Letters of credit outstanding	(293,983)	(158,549)
	(185,603)	36,011

The following exchange rates were applied during the year.

June 30, 2025	AED	USD	GBP
Average rate	77.03	281.05	370.39
Reporting date rate	77.27	283.76	388.86

June 30, 2024	AED	USD	GBP
Average rate	77.73	282.60	358.60
Reporting date rate	76.78	278.34	351.92

Sensitivity analysis

If the functional currency, as at the reporting date, had weakened / strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 1.856 million (2024: Rs. 0.360 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to price risk in respect of certain investments amounting to Rs. 700.628 million (2024: Rs. 140.055 million).

Sensitivity analysis

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Company by Rs. 7.006 million (2024: Rs. 1.401 million) on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short and long-term borrowings. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk.

As at the reporting date the interest rate profile of the Company’s interest bearing financial instruments was as under:

	2025	2024
	---- Rupees in Thousands ----	
Fixed rate instruments		
Financial liabilities		
Long term financing	99,216	126,115
Floating rate instruments		
Financial liabilities		
Finances under mark up arrangements	114,257	-
Financial assets		
Saving accounts	101,921	93,473

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2025, if interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.123 million (2024: Rs. 0.935 million), mainly as a result of interest exposure on variable rate instruments.

Cash flow sensitivity analysis for fixed rate instruments

The Company has certain financial liabilities at fixed rate. Therefore, no impact on profit or loss of the Company is expected.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its trade debts, deposits with banks, investments and certain other financial instruments.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating as available from external credit agencies are accepted.

As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

Long term loans	Note 19	6,750	9,792
Trade debts	Note 23	227,986	321,461
Other receivables	Note 24	6,915	11,464
Short term investments	Note 25	700,628	140,055
Bank balances	Note 26	192,261	275,315

The aging of trade debts as at the reporting date was as follows:

1 - 30 days	66,780	89,634
31 - 60 days	64,508	95,178
61 - 180 days	86,537	136,649
More than 180 days	10,161	-
	227,986	321,461

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

	Rating Short term	Rating Long term	Rating Agency	2025	2024
				---- Rupees in Thousands ----	
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	42,885	28,036
Bank Al-Habib Limited	A1+	AAA	PACRA	66,764	117,539
Bank Alfalah Limited	A1+	AAA	PACRA	3,531	2,644
Allied Bank Limited	A1+	AAA	PACRA	-	54,685
The Bank of Punjab Limited	A1+	AA+	PACRA	20,113	53,746
Meezan Bank Limited	A1+	AAA	VIS	58,918	18,665
National Bank of Pakistan	A1+	AAA	PACRA	50	-
				192,261	275,315

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities as at June 30, 2025:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	---- Rupees in Thousands ----					
Long term financing	99,216	102,133	27,437	30,063	44,633	-
Trade and other payables	632,970	632,970	632,970	-	-	-
Finances under mark up arrangements - secured	114,257	114,257	114,257	-	-	-
Dividend payable	18,966	18,966	18,966	-	-	-
Accrued finance costs	990	990	990	-	-	-
	866,399	869,316	794,620	30,063	44,633	-

Contractual maturities of financial liabilities as at June 30, 2024:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	---- Rupees in Thousands ----					
Long term financing	126,115	132,042	29,474	30,063	72,505	-
Trade and other payables	435,710	435,710	435,710	-	-	-
Dividend payable	11,243	11,243	11,243	-	-	-
Accrued finance cost	1,241	1,241	1,241	-	-	-
	574,309	580,236	477,668	30,063	72,505	-

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1 Quoted market prices
Level 2 Valuation techniques (market observable)
Level 3 Valuation techniques (non market observable)

	Total	Level 1	Level 2	Level 3
	---- Rupees in Thousands ----			
Short term investment - 2025	700,628	700,628	-	-
Short term investment - 2024	140,055	140,055	-	-

40.2 Financial instruments by categories

Financial asset as at amortized cost	Note	**2025**	**2024**
		---- Rupees in Thousands ----	
Long term loans	19	6,750	9,792
Trade debts	23	227,986	321,461
Other receivables	24	6,915	11,464
Bank balances	26	192,261	275,315
		433,912	618,032
Financial asset as at fair value through profit or loss			
Short term investments	25	700,628	140,055
Financial liabilities at amortized cost			
Long term financing	7	99,216	126,115
Trade and other payables	10	632,970	435,710
Accrued mark up	11	990	1,241
Finances under mark up arrangements - secured	12	114,257	-
Dividend Payable		18,966	11,243
		866,399	574,309

41 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 year (2024: 10%). Further, aggregate sales to major distributors represented 88% (2024: 83%) 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. 222.884 million (2024: Rs. 374.989 million).

- Information about product

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

42 Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital employed is calculated as equity, as shown in the unconsolidated statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Company was worked out as under:

	2025	2024
	---- Rupees in Thousands ----	
Total borrowings	213,473	126,115
Bank balances	(192,261)	(275,315)
Net debt	21,212	(149,200)
Equity	3,270,495	3,180,460
Total capital employed	3,291,707	3,031,260
Gearing ratio	0.64%	Not Geared

43 Shari'ah Screening Disclosure

	Note	2025	2024
		---- Rupees in Thousands ----	
Financing (long term, short term or lease financing) obtained as per Islamic mode		-	-
Interest or mark-up accrued on any conventional loan or advance	11.1	990	1,241
Long-term and short term shariah compliant investments		-	-
Shariah-compliant bank deposits, bank balances and TDRs	26.1	58,918	18,665
Revenue earned from a shariah compliant business segments	27	5,916,317	5,694,089
Break-up of late payment or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from shariah compliant associates		-	-
Profit earned from shariah compliant bank deposits/bank balances		-	-
Exchange gain / (loss) earned from actual currency	33	14,230	4,170
Exchange gain earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing	43.1	-	5,625
Interest earned on any conventional loan or advance		10,550	14,239
Relationship with shariah compliant banks	12	Meezan Bank	Meezan Bank

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

43.1 This pertains to the markup paid to Meezan Bank Limited on finances under markup arrangements - secured utilized.

44 Plant Capacity and Production

		Production Capacity		Actual Production	
		2025	2024	2025	2024
Production of hydrogen peroxide (on 100% concentration and based on 365 working days)	metric tonnes	21,000	21,000	21,210	20,186
Production of packing material (based on 365 working days)	Number	1,080,000	1,080,000	974,096	929,261

44.1 Production of goods relates to the sales orders received from customers and the Company produces goods to meet those orders.

45 Number of Employees

	2025	2024
	Number	Number
Number of employees as at June 30,		
- Permanent	105	105
- Contractual	12	12
Average number of employees during the year		
- Permanent	105	105
- Contractual	6	6

46 Authorization of Financial Statements

These unconsolidated financial statements were approved and authorized by the Board of Directors of the Company for issuance on September 03, 2025.

47 Subsequent Events

The Board of Directors of the Company has proposed a final cash dividend of Rs. 2 per share (2024: Rs. 2 per share) for the year ended June 30, 2025 at their meeting held on September 03, 2025 for the approval of members at the Annual General Meeting to be held on October 22, 2025. These unconsolidated financial statements do not include the effect of these appropriations which will be accounted for in the period in which they are approved.

48 General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material rearrangements / reclassifications have been made in these unconsolidated financial statements.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

Consolidated

Crowe

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INDEPENDENT AUDITOR'S REPORT

To the members of Descon Oxychem Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of DESCON OXYCHEM LIMITED and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2025 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matters	How the Matter was Addressed in our Report
1. Revenue Refer to notes 3.13 & 26 to the consolidated financial statements. Revenue of the Group amounted to Rs. 5,998.848 million for the year ended June 30, 2025.	Our key audit procedures included: · Obtained an understanding of the Group's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls.

Key Audit Matters	How the Matter was Addressed in our Report
The Group is primarily engaged in the manufacturing and sale of hydrogen peroxide at different concentrations. We identified recognition of revenue as a key audit matter due to revenue being one of the key performance indicators of the Group	• Assessed the appropriateness of the Group's revenue recognition policies and their compliance with applicable accounting and reporting standards. • Performed walkthroughs of sales cycle including order booking, dispatch, invoicing and recording in GL. • Compared a sample of revenue transactions recorded during the year with customers' orders, sales invoices, delivery orders and other relevant underlying documents. • Obtained an understanding of types of contracts with the customers and compared a sample of revenue transactions recorded during the year with sales orders. • Selected samples of sales invoices and traced to delivery challans, GRNs, and customer acknowledgments. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
2. Stock in trade Refer to note 3.10 & 21 to the consolidated financial statements which reflect stock in trade as at the reporting date. Stock in trade has increased from Rs 631.425 million to Rs 653.599 million. We have considered this area as a key audit matter due to its size, representing 13.96% of the total assets of the Group as at June 30, 2025 and the judgment involved in stock valuation. Further, determining an appropriate write-down as a result of net realizable value (NRV) and provision for slow-moving stock in trade involves management judgement. and estimation.	• Our key audit procedures included • Inquired and assessed the design and operating effectiveness of the Group's internal controls over inventories. • Observed physical inventory count procedures as at the year end and compared physically counted inventories with closing inventory reports provided by the management, on sample basis. • Inspected purchase documents on sample basis to check quantity and value of certain stock. • Checked and evaluated the accuracy of valuation of closing stock, on sample basis. • Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. • Assessed the provision for slow moving stocks as at the reporting date and assessed whether it is in accordance with the relevant accounting and reporting standards. • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: September 03, 2025
UDIN: AR2025100513EZgOVGhq

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2025

	Note	2025	2024
		---- Rupees in Thousands ----	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
300,000,000 (2024: 300,000,000) Ordinary shares of Rs. 10 each		3,000,000	3,000,000
Issued, subscribed and paid up share capital	5	1,750,311	1,750,311
Share premium	6	3,022	3,022
Unappropriated profit		1,622,898	1,462,860
Translation reserve		(11)	(467)
		3,376,220	3,215,726
Non Current Liabilities			
Long term financing	7	66,099	86,405
Deferred grant	8	6,218	10,814
Deferred tax liability	9	131,652	204,072
		203,969	301,291
Current Liabilities			
Trade and other payables	10	852,594	588,334
Accrued finance costs	11	990	1,241
Finances under mark up arrangements - secured	12	114,257	-
Current portion of non current liabilities	13	26,899	28,896
Dividend payable		18,966	11,243
Income tax payable	14	87,405	-
		1,101,111	629,714
Contingencies and Commitments	15	-	-
Total Equity and Liabilities		4,681,300	4,146,731

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

	Note	2025	2024
		---- Rupees in	Thousands ----
ASSETS			
Non Current Assets			
Property, plant and equipment	16	1,758,840	1,992,978
Intangible assets	17	391,722	16,404
Long term loans	18	2,416	4,483
Long term deposits	19	15,377	20,204
		2,168,355	2,034,069
Current Assets			
Stores and spares	20	526,234	523,937
Stock in trade	21	653,599	631,425
Trade debts	22	189,177	175,646
Loans, advances, deposits, prepayments and other receivables	23	100,391	53,935
Short term investments	24	700,628	140,055
Tax refund due from the government	14	-	125,904
Bank balances	25	342,916	461,760
		2,512,945	2,112,662
Total Assets		4,681,300	4,146,731

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the Year Ended June 30, 2025

	Note	2025	2024
		---- Rupees in Thousands ----	
Sales	26	5,998,848	5,738,033
Cost of sales	27	(4,220,100)	(4,583,920)
Gross Profit		1,778,748	1,154,113
Administrative expenses	28	(250,287)	(193,433)
Distribution and selling costs	29	(194,457)	(190,576)
		(444,744)	(384,009)
Operating Profit		1,334,004	770,104
Other operating expenses	30	(120,968)	(64,624)
Finance cost	31	(10,031)	(23,837)
Other income	32	105,991	172,613
Profit before Levy and Taxation		1,308,996	854,256
Levy / final taxation	33	(15,599)	(29,280)
Profit before Taxation		1,293,397	824,976
Taxation	33		
- Income tax		(505,655)	(305,991)
- Deferred tax		72,420	(11,971)
		(433,235)	(317,962)
Net Profit for the Year		860,162	507,014
Profit attributable to:			
- Equity holders of the Parent Company		860,162	507,014
- Non controlling interest		-	-
		860,162	507,014
Earnings per Share - Basic and Diluted	34	4.91	2.90

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended June 30, 2025

	2025	2024
	---- Rupees in Thousands ----	
Net Profit for the Year	860,162	507,014
Other comprehensive income		
Items that will not be re-classified subsequently to profit or loss	-	-
Items that may be re-classified subsequently to profit or loss		
Exchange differences on translation of subsidiaries	456	(467)
Other comprehensive income / (loss) for the year	456	(467)
Total Comprehensive Income for the Year	860,618	506,547
Total Comprehensive Income attributable to:		
- Equity holders of parents	860,618	506,547
- Non controlling interest	-	-
	860,618	506,547

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended June 30, 2025

Particulars	Issued, Subscribed and Paid up Capital	Reserve	Revenue Reserve	Translation Reserve	Total
		Share Premium	Unappropriated Profit		
	---- Rupees in Thousands ----				
Balance as at June 30, 2023	1,750,311	3,022	1,305,908	-	3,059,241
Net profit for the year	-	-	507,014	-	507,014
Other comprehensive loss for the year	-	-	-	(467)	(467)
Total comprehensive income for the year	-	-	507,014	(467)	506,547
Transactions with owners					
Final dividend for the year ended June 30, 2023 @ 20% (Rs. 2 per share)	-	-	(350,062)	-	(350,062)
Balance as at June 30, 2024	1,750,311	3,022	1,462,860	(467)	3,215,726
Net profit for the year	-	-	860,162	-	860,162
Other comprehensive income for the year	-	-	-	456	456
Total comprehensive income for the year	-	-	860,162	456	860,618
Transactions with owners					
Final dividend for the year ended June 30, 2024 @ 20% (Rs. 2 per share)	-	-	(350,062)	-	(350,062)
Interim dividend for the period ended December 31, 2024 @ 20% (Rs. 2 per share)	-	-	(350,062)	-	(350,062)
	-	-	(700,124)	-	(700,124)
Balance as at June 30, 2025	1,750,311	3,022	1,622,898	(11)	3,376,220

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended June 30, 2025

	Note	2025	2024
		---- Rupees in Thousands ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	35	1,857,141	998,206
Finance cost paid		(10,282)	(19,894)
Income tax and levy paid		(307,945)	(1,037,850)
Profit on deposits received		21,157	29,998
Long term deposit		-	2,000
Long term loan to employees - net		3,042	3,208
		(294,028)	(1,022,538)
Net Cash Generated from / (Used in) Operating Activities		1,563,113	(24,332)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(137,761)	(100,353)
Intangible assets purchased		(381,116)	-
Proceeds from disposal of property, plant and equipment		72	94
Short term investments purchased		(2,702,623)	(492,799)
Short term investments redeemed		2,143,011	1,249,778
Dividend received		1,503	91,557
Net Cash (Used in) /Generated from Investing Activities		(1,076,914)	748,277
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		(26,899)	(27,374)
Lease liabilities		-	(24,789)
Finances under mark up arrangements - net		114,257	(110,383)
Dividends paid		(692,401)	(347,996)
Net Cash Used in Financing Activities	36	(605,043)	(510,542)
Net (Decrease) / Increase in Cash and Cash Equivalents		(118,844)	213,403
Cash and cash equivalents at the beginning of the year		461,760	248,357
Cash and Cash Equivalents at the End of the Year		342,916	461,760

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended June 30, 2025

1 The Group and its Operations

The Group consists of:	Note	Status within the Group
- Descon Oxychem Limited (DOL)	1.1	Holding Company
- Descon Oxychem FZE (DOL FZE)	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. However, the ultimate parent company is DEL Processing (Private) Limited.

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

1.4 Consolidated Financial Statements

These financial statements are the consolidated financial statements of the Descon Oxychem Limited and its subsidiary (the Group).

2 Basis of Preparation

2.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and

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

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except to the extent of the following:

Long term financing	Note 7	(Stated at present value)
Deferred grant	Note 8	(stated at Present value)
Long term loans	Note 18	(stated at Present value)
Short term investments	Note 24	(stated at Fair value)

2.3 Functional and presentation currency

These consolidated financial statements are prepared and 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.

2.4 Basis of consolidation

2.4.1 Subsidiaries

Subsidiaries are such entities over which the Holding Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. These consolidated financial statements include separate financial statements of Descon Oxychem Limited and its subsidiary company in which Descon Oxychem Limited directly or indirectly controls, beneficially owns more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The existing voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are de-consolidated from the date the control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Inter-company transactions, balances and unrealized gains on transactions amongst Group companies are eliminated. Accounting policies of subsidiaries are amended, where necessary, to ensure consistency with the policies adopted by the Group.

When the Group ceases to consolidate an investment in a subsidiary because of loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to statement of profit or loss.

2.4.2 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses, if any. Excess of Group's share of the net identifiable asset over cost is recognized in profit or loss as a bargain purchase gain.

2.5 Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these consolidated financial statements relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.8 & 16
- Provision for obsolescence of inventories - Note 3.9, 3.10, 20 & 21
- Expected credit loss allowance – Note 3.6.1, 22
- Estimation of contingent liabilities - Note 3.7 & 15

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.6 Changes in accounting standards, interpretations and pronouncements

2.6.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either irrelevant to the Group's operations or are not expected to significantly impact the Group's Consolidated financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IAS 01	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 07	Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IFRS 07	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 01, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measure sale and lease back transactions	January 01, 2024

2.6.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IAS 21	Amendments to lack of exchangeability	January 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-Related Disclosures	July 01, 2025

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Group, by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1 First Time Adoption of IFRS
IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 19 IFRS 19 'Subsidiaries Without Public Accountability: Disclosures'

3. Material Accounting Policy Information

Material accounting policy information adopted in the preparation of these consolidated financial statements is set out below. These policies have been consistently applied to all the periods presented, unless stated otherwise.

3.1 Provisions

A provision is recognized in the consolidated statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.2 Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. The Group reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- the Group has the right to operate the asset; or

- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.2.1 Group as a lessee

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Group recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

3.2.1.1 Initial measurement

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Group's incremental borrowing rate if the implicit rate is not readily available. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Right-of-use asset

The Group initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

3.2.1.2 Subsequent measurement

Lease liability

After the commencement date, the Group re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the consolidated profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use asset

After the commencement date, the Group measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Group depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

3.3 Taxation

Income tax expense for the year comprises current and deferred tax and is recognized in the consolidated statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The current tax charge for the Holding Company is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternate corporate tax. Super tax applicable on the Group is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Group in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternate corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid, irrespective of current and prior period, exceeds the amount due to those periods the excess recognized as an asset.

Whereas tax charge for subsidary is provided in accordance with the regulations of UAE.

The Group offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFIRC 21. Further, the Group also charges tax expense under levy when tax expense is calculated under final tax regime.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

3.4 Post employment benefits - Defined contribution scheme

A recognized Voluntary Contributory Provident Fund Scheme (the Scheme) is in operation covering all permanent employees. Equal monthly contributions are made by the Group and employees in accordance with the rules of the Scheme.

3.5 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

All financial assets are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Group classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are initially measured at fair value that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at transaction price, if these do not contain a significant financing component in accordance with IFRS 15.

Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing as at the reporting date. The difference arising is charged to profit or loss.

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in the profit or loss.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures in which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the trade debts and the economic environment.

3.6.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc. The Group does not reclassify any of its financial liabilities.

b) ***Subsequent measurement***

The Group measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortization is included as finance cost in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

3.6.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the consolidated statement of financial position if the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent liability is also disclosed when there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.8 Property, plant and equipment

Owned

Property, plant and equipment except freehold land is stated at cost less accumulated depreciation and identified impairment losses, if any. Freehold land is stated at cost. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing assets to their working condition. Subsequently assets are stated at cost less accumulated depreciation and identified impairment loss, if any.

Depreciation is charged to profit or loss using straight line method so as to write off the historical cost of an asset over its estimated useful life at the rates specified in Note 16 without taking into account any residual value which is considered insignificant. Depreciation on assets is charged from the month of additions (i.e., the month when the asset is ready for use) up till the month of disposal.

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Day to day maintenance, normal repairs and gains or losses on disposal of property, plant and equipment are included in the current year's profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. Cost may also include borrowing costs, if any. These are transferred to operating fixed assets as and when these are available for use.

Major spare parts, catalyst and standby equipment

Major spare parts, catalyst and standby equipment qualify as property, plant and equipment when the Group expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

3.9 Stores and spares

These are valued at lower of moving average cost and net realizable value while items considered obsolete, if any, are carried at nil value. Cost is determined using the weighted average pricing method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management's best estimate.

3.10 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw materials	- Moving average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost

Manufacturing cost in relation to finished goods comprises cost of materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

3.11 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. The Group recognizes a contract asset for the earned consideration that is conditional if the Group performs by transferring goods to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts as at the reporting date. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Group transfers goods to the customer.

3.12 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and cash at banks in current and savings accounts.

3.13 Revenue recognition

Revenue is recognized when the performance obligation is satisfied by applying the following five steps of revenue recognition:

a) Identify the contract with a customer
b) Identify the performance obligation in the contract
c) Determine the transaction price of the contract
d) Allocate the transaction price to each of the separate performance obligations in the contract
e) Recognize the revenue as the Group satisfies a performance obligation

Revenue is recognized at a point in time, when the Group satisfies performance obligations by transferring goods to its customers and when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Control is transferred when the goods are dispatched to the customers in case of local sales and when goods are shipped to the customers and loaded on vessel or delivered at port in case of export sales. The transaction price is fixed and decided mostly through internal and external factors. The contracts do not contain the right of return as the goods are dispatched to the customer after their inspection and acceptance.

3.14 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Group and the related party or between two or more segments of the Group are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Group to do so.

3.15 Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.

3.16 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. Impairment losses on such assets are charged to profit or loss. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount over its remaining useful life.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Chief Operating Decision Maker (the Chief Executive Officer of the Group) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities.

4. Other Accounting Policy information

Other accounting policy information adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless stated otherwise.

4.1 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the consolidate statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment, if any, are included in non current liabilities as deferred income and are credited to the profit or loss on straight-line basis over the expected lives of the related assets.

4.2 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to the profit or loss in the period in which they are incurred.

4.3 Dividend distributions

Dividends to shareholders of the Holding Company are recognized as a liability in the period in which these are approved.

4.4 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Group and the cost of such asset can be measured reliably. Cost of intangible assets i.e. ERP software includes purchase cost and directly attributable expenses incidental to bring the software to its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible asset. However, costs associated with the maintenance of software are recognized as an expense in profit and loss.

All intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using the straight line method so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the date the asset is acquired or capitalized uptil the date the asset is disposed. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant. Intangible assets are amortized at the rates specified in Note 17.

4.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Group has access at that date. There are three levels of fair value model which are as under:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 — Unobservable inputs for the asset or liability.

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Group determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Group’s policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

4.6 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing as at the reporting date. Foreign exchange gains and losses on translation are recognized in profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

5 Issued, Subscribed and Paid up Share Capital

2025	2024		2025	2024
Number of Shares			---- Rupees in Thousands ----	
102,000,000	102,000,000	Ordinary shares of Rs. 10 each fully paid in cash	1,020,000	1,020,000
48,888,866	48,888,866	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash (note 5.2)	488,889	488,889
24,142,218	24,142,218	Ordinary shares of Rs. 10 each fully paid as bonus shares (note 5.3)	241,422	241,422
175,031,084	175,031,084		1,750,311	1,750,311

5.1 As at the reporting date, the shares of the Holding Company as held by its parent Company and associated Companies are as under:

	2025	2024	2025	2024
	Shareholding %		Number of shares	
DEL Chemicals (Private) Limited	34.48%	34.48%	60,358,918	60,358,918
Descon Engineering Limited (DEL)	32.40%	32.40%	56,711,084	56,711,084
Descon Corporation (Private) Limited	5.74%	5.74%	10,051,697	10,051,697
	72.62%	72.62%	127,121,699	127,121,699

5.2 The shareholders of the Holding Company, vide an Extraordinary General Meeting, on November 27, 2019, issued 48,888,866 ordinary shares as right shares to DEL at a premium of Rs. 5 per share on January 29, 2020.

5.3 The Holding Company in the year 2021 issued 24,142,218 bonus shares of Rs. 10 each against share premium of Rs. 241.422 million on the basis that 16 shares were issued for every 100 shares held by the shareholders.

5.4 All ordinary shares rank equally with regard to residual assets of the Holding Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Holding Company. Voting and other rights are in proportion to the shareholding.

5.5 No shares of the Holding Company were cancelled or further issued during the year.

6. Share Premium

The Holding Company issued 24,142,218 ordinary shares of Rs. 10 as bonus shares as referred to in note 5.3 against the share premium of Rs. 241.422 million in terms of section 81 of the Companies Act, 2017. The outstanding amount of Rs. 3.022 million (2024: Rs. 3.022 million) can be utilized by the Holding Company only for the purposes as specified in section 81 of the Companies Act, 2017.

7. Long Term Financing

	Note	2025	2024
		---- Rupees in Thousands ----	
Allied Bank Limited	7.1	99,216	126,115
Less: Deferred grant		(10,821)	(16,944)
		88,395	109,171
Less: Current portion shown under current liabilities	13	(22,296)	(22,766)
		66,099	86,405

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7.1 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. Out of the available limit of Rs. 487 million, the Holding Company had utilized Rs. 174.84 million. The recognized portion as at the reporting date is exclusive of grant of Rs. 10.821 million (2024: Rs. 16.944 million). 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.

Terms of markup

The facility carries markup at SBP rate plus 1% per annum (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.

8 Deferred Grant

	Note	2025	2024
		---- Rupees in	Thousands ----
Deferred grant	8.1	10,821	16,944
Less: Current portion		(4,603)	(6,130)
		6,218	10,814

8.1 This represents the value of benefit of below market interest rate which has been accounted for as government grant under IAS 20, "Accounting for Government Grant and Disclosure for Government Assistance".

8.2 The grant is amortized in line with the terms of long term financing. During the year, deferred grant of Rs. 6.123 million (2024: Rs. 7.349 million) has been amortized and netted off against the finance cost (refer to Note 31).

9 Deferred Tax Liability

	2025	2024
	---- Rupees in	Thousands ----
Taxable temporary differences		
Accelerated tax depreciation	149,173	210,092
Unrealized gain on short term investments	240	46
	149,413	210,138
Deductible temporary differences		
Provision for obsolescence of inventories	(9,935)	(1,344)
Provision for doubtful advances	(1,499)	(1,499)
Expected credit loss allowance	(5,904)	(2,420)
Other	(423)	(803)
	(17,761)	(6,066)
	131,652	204,072

9.1 Reconciliation of deferred tax liabilities

	2025	2024
	---- Rupees in Thousands ----	
Opening balance	204,072	192,100
Deferred tax recognized in profit or loss	(72,420)	11,972
Deferred tax recognized in other comprehensive income	-	-
Closing balance	131,652	204,072

9.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 39% (2024: 39%).

9.3 Analysis of change in deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2025	2024	2025	2024
	---- Rupees in Thousands ----			
Accelerated tax depreciation	149,173	210,092	(60,919)	(48,328)
Unrealized gain on investment	240	46	194	(1,379)
Provision for obsolescence of inventories	(9,935)	(1,344)	(8,591)	55,489
Expected credit loss allowance	(5,904)	(2,420)	(3,484)	530
Provision for doubtful advances	(1,499)	(1,499)	-	(1,499)
Others	(423)	(803)	380	7,159
	131,652	204,072	(72,420)	11,972

10 Trade and Other Payables

	Note	2025	2024
		---- Rupees in Thousands ----	
Trade creditors	10.1	171,581	128,677
Contract liabilities	10.2	118,829	85,724
Accrued liabilities	10.3	462,369	297,586
Worker's (profit) participation fund	10.4	48,073	43,963
Worker's welfare fund	10.5	27,654	18,666
Other liabilities		22,335	11,947
Provident fund payable	10.6	1,753	1,771
		852,594	588,334

10.1 Trade creditors includes interest free amounts due to related parties in the normal course of business as follows:

Descon Engineering Limited	5,499	11,638
Descon Corporation (Private) Limited	1,816	4,359
Inspectest (Private) Limited	1,345	-
	8,660	15,997

10.2 These contract liabilities are expected to be satisfied during the year ended June 30, 2026 (2024: June 30, 2025).

10.3 This includes Rs. 50.495 million (2024: Rs. 20.951 million) payable to Descon (Private) Limited against royalty, Rs. 3.392 million (2024: Rs. 3.195 million) for inspection services to Inspectest (Private) Limited and Rs. 5.168 million (2024: Rs. 5.168 million) to Descon Engineering Limited for engineering services.

		2025	2024
10.4	**Workers' (profit) participation fund**	---- Rupees in	Thousands ----
	Opening balance	43,963	120,942
	Add: Provision for the year	48,073	43,963
	Add: Interest for the year	-	-
	Less: Payments made to the fund during the year	(43,963)	(120,942)
	Closing balance	48,073	43,963
10.5	**Worker's welfare fund**		
	Opening balance	18,666	44,239
	Add: Provision for the year	27,654	18,666
	Less: Payments made during the year	(18,666)	(44,239)
	Closing balance	27,654	18,666

10.6 All investments out of provident fund have been made in the collective investment schemes, listed equity and debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

		Note	2025	2024
11	**Accrued Finance Costs**			
			---- Rupees in	Thousands ----
	Long term financing		514	647
	Finances under mark up arrangements - secured		476	594
		11.1	990	1,241

11.1 This represents the markup accrued from conventional banks against borrowings utilized during the year.

		2025	2024
12	**Finances Under Mark up Arrangements - Secured**		
	Banking companies - Secured		
	Running finance	114,257	-

12.1 Terms and conditions of borrowings

Purpose

The Holding Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 3,075 million (2024: Rs. 2,475 million) including running finance facilities amounting to Rs. 1,650 million (2024: Rs. 1,650 million), to meet the working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables, issue gurrantee and loan against trust receipts etc.

Markup

Mark-up on these facilities is charged using 1 to 3 months KIBOR + spread of 0.25% to 1% (2024: 1 to 3 months KIBOR + spread of 0.25% to 0.75%) per annum, payable on quarterly basis in arrears. Furthermore, some LCs carry LC opening comission against LCs at 0.10% to 0.25% per quarter.

Securities

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, current assets of the Holding Company, shipping documents, trust receipts, master counter guarantee, cash margins and lien over title of imported goods.

13 Current Portion of Non Current Liabilities

	Note	2025	2024
		---- Rupees in Thousands ----	
Long term financing	7	22,296	22,766
Deferred grant	8	4,603	6,130
		26,899	28,896

14 Income Tax Payable / (Tax Refund Due from Government)

	2025	2024
Opening balance	(125,904)	576,675
Add: Charge for the year	559,914	277,035
Add: Prior year adjustment	(38,660)	28,956
	395,350	882,666
Less: Payment / adjustments	(307,945)	(1,008,570)
Income tax payable / (Tax refund due from the government)	87,405	(125,904)

14.1 The provision for current year tax represents corporate tax at 29% (2024: 29%) and super tax at the rate of 10% (2024: 10%) as per the Income Tax Ordinance, 2001.

14.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2024 as tax returns were filed under the self assessment scheme.

15 Contingencies and Commitments

15.1 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 Group 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 Group 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 Group'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 Group. Accordingly, the Group has not recognized the estimated provision of Rs. 55.32 million (2024: Rs. 55.32 million) in these consolidated financial statements. However, the Group has provided guarantee of Rs. 55.32 million (2024: Rs. 55.32 million) to SNGPL.

15.2 Guarantees

The Group has issued guarantees to the following parties:

	2025	2024
	---- Rupees in Thousands ----	
Against performance of contracts:		
Sui Northern Gas Pipelines Limited	151,286	151,286
Pakistan State Oil Holding Company Limited	3,500	3,500
Al-Technique Corporation of Pakistan	28,407	28,407
	183,193	183,193

Post dated cheques issued in favor of National Tariff Commission of Pakistan and Collector of Customs aggregate to Rs. 42.14 million (2024: Rs. 42.14 million).

15.3 Commitments

The Group has the following commitments in respect of:

	2025	2024
Letters of credits	293,983	158,549
Contractual commitments	-	4,790

16 Property, Plant and Equipment

	Note	2025	2024
		---- Rupees in Thousands ----	
Operating fixed assets - owned assets	16.1	1,613,944	1,843,325
Capital work in progress	16.2	25,199	58,447
Major spare parts, catalysts and standby equipment	16.3	119,697	91,206
		1,758,840	1,992,978

16.1 Operating fixed assets

Year Ended June 30, 2025

Description	Freehold Land	Buildings on Freehold Land	Plant, Machinery and Equipment	Plant, Machinery and Equipment - Catalyst	Laboratory Equipment	Material Handling Equipment	Tools and Equipment	Computers and related Equipment	Electrical Equipment	Office Equipment	Furniture and Fixture	Vehicles	Total
	---- Rupees in Thousands ----												
Cost													
Balance as at July 01, 2024	101,316	420,647	4,357,713	30,405	17,575	4,174	45,106	30,313	1,989	22,458	19,830	16,622	5,068,148
Additions	-	39,195	73,239	-	515	-	12,698	8,819	3,035	4,369	648	-	142,518
Disposals during the year	-	-	-	-	-	-	-	(716)	-	-	-	-	(716)
Write off	-	-	(23,582)	-	(797)	(628)	(353)	(5,590)	(171)	(2,758)	(2,786)	(67)	(36,732)
Balance as at June 30, 2025	101,316	459,842	4,407,370	30,405	17,293	3,546	57,451	32,826	4,853	24,069	17,692	16,555	5,173,218
Accumulated depreciation													
Balance as at July 01, 2024	-	241,012	2,863,541	27,765	15,724	3,192	21,016	21,330	1,989	10,887	11,123	7,244	3,224,823
Charge for the year	-	30,761	315,759	378	956	180	8,333	5,804	368	3,487	2,648	2,433	371,107
Disposals during the year	-	-	-	-	-	-	-	(569)	-	-	-	-	(569)
Adjustment	-	-	(23,049)	-	(797)	(628)	(310)	(5,578)	(171)	(2,708)	(2,779)	(67)	(36,087)
Balance as at June 30, 2025	-	271,773	3,156,251	28,143	15,883	2,744	29,039	20,987	2,186	11,666	10,992	9,610	3,559,274
Balance as at June 30, 2025	**101,316**	**188,069**	**1,251,119**	**2,262**	**1,410**	**802**	**28,412**	**11,839**	**2,667**	**12,403**	**6,700**	**6,945**	**1,613,944**
Depreciation rates	-	5% to 25%	6.25% to 33%	10% to 50%	6.25% to 20%	20%	6.25% to 33%	33%	20%	20%	10% to 20%	20%	

Year Ended June 30, 2024

Description	Freehold Land	Buildings on Freehold Land	Plant, Machinery and Equipment	Plant, Machinery and Equipment - Catalyst	Laboratory Equipment	Material Handling Equipment	Tools and Equipment	Computers and Related Equipment	Electrical Equipment	Office Equipment	Furniture and Fixture	Vehicles	Total
	---- Rupees in Thousands ----												
Cost													
Balance as at July 01, 2023	101,316	361,531	4,294,619	27,197	17,575	4,016	31,323	25,096	1,989	17,686	13,676	16,622	4,912,646
Additions	-	59,116	63,094	3,208	-	158	13,783	6,082	-	4,842	6,204	-	156,487
Disposals during the year	-	-	-	-	-	-	-	(865)	-	(70)	(50)	-	(985)
Balance as at June 30, 2024	101,316	420,647	4,357,713	30,405	17,575	4,174	45,106	30,313	1,989	22,458	19,830	16,622	5,068,148
Accumulated depreciation													
Balance as at July 01, 2023	-	217,729	2,531,109	23,142	14,439	3,036	13,870	15,994	1,975	8,500	9,342	4,728	2,843,864
Charge for the year	-	23,283	332,432	4,623	1,285	156	7,146	6,167	14	2,457	1,831	2,516	381,910
Adjustment	-	-	-	-	-	-	-	(831)	-	(70)	(50)	-	(951)
Balance as at June 30, 2024	-	241,012	2,863,541	27,765	15,724	3,192	21,016	21,330	1,989	10,887	11,123	7,244	3,224,823
Balance as at June 30, 2024	**101,316**	**179,635**	**1,494,172**	**2,640**	**1,851**	**982**	**24,090**	**8,983**	**-**	**11,571**	**8,707**	**9,378**	**1,843,325**
Depreciation rates	-	5% to 10%	6.25% to 33%	10% to 50%	6.25% to 20%	20%	6.25% to 33%	33%	20%	20%	10% to 20%	20%	

16.1.1 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location / Address	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
18 Km Lahore Sheikhupura Road	Production plant and factory	1,220,000	566,280

16.1.2 No fixed assets were disposed off during the year having individual book value exceeding Rs. 500,000 or more.

16.1.3 Apportionment of depreciation charge for the year

Depreciation charge for the year has been apportioned as follows:	Note	2025	2024
		---- Rupees in Thousands ----	
Cost of sales	27	366,657	378,103
Administrative expenses	28	3,336	2,894
Distribution cost	29	1,114	914
		371,107	381,911

16.1.4 All assets are in the name of the Group and in the Group's possession and control.

16.1.5 Borrowings of the Holding Company are 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 (2024: Rs. 880 million) and ranking charge over present and future fixed assets (plant and machinery) of the Holding Company amounting to Rs. 22 million (2024: Rs. 22 million).

16.1.6 The cost of fully depreciated assets which are still in use as at June 30, 2025 is Rs. 816.500 million (2024: Rs. 89.114 million).

16.2 Capital work-in-progress

	Note	2025	2024
Plant and machinery		18,556	46,842
Civil works		-	10,500
Others		6,643	1,105
	16.2.1	25,199	58,447

16.2.1 Reconciliation of the carrying amount is as follows:

	2025				
	Balance as at July 01, 2024	Expenditure incurred during the	Inter classification	Transfers to operating assets	Balance as at June 30, 2025
	---- Rupees in Thousands ----				
Plant and machinery	46,842	21,732	-	(50,018)	18,556
Civil works	10,500	27,705	-	(38,205)	-
Others	1,105	10,381	-	(4,843)	6,643
	58,447	59,818	-	(93,066)	25,199

	2024				
	Balance as at July 01, 2023	Expenditure incurred during the year	Inter classification	Transfers to operating assets and repairs	Balance as at June 30, 2024
	---- Rupees in Thousands ----				
Plant and machinery	21,594	45,378	40,147	(60,277)	46,842
Civil works	39,576	39,863	-	(68,939)	10,500
Others	12,879	951	-	(12,725)	1,105
Advances to suppliers and contractors	40,147	-	(40,147)	-	-
	114,196	86,192	-	(141,941)	58,447

		Note	2025	2024
			---- Rupees in Thousands ----	
16.3	**Major spare parts, catalyst and standby equipment**			
	The reconciliation of carrying amount is as follows:			
	Opening balance		91,206	91,592
	Additions		77,507	161,759
	Less: Transfers during the year		(49,016)	(162,145)
			119,697	91,206
17	**Intangible Assets**			
	Softwares	17.1	12,298	16,404
	Capital work-in-progress	17.6	379,424	-
			391,722	16,404
17.1	**Break up of softwares**			
	Net Carrying Value			
	Opening balance		16,404	25,161
	Additions during the year		1,692	-
			18,096	25,161
	Amortization during the year	17.2	(5,798)	(8,757)
	Closing balance		12,298	16,404
	Gross Carrying Value			
	Cost		159,976	158,284
	Accumulated amortization		(147,678)	(141,880)
	Net book value		12,298	16,404
	Amortization rate per annum		10% - 33.33%	10% - 33.33%
17.2	Amortization charge for the year has been allocated as follows:			
	Cost of sales	28	2,965	5,641
	Administrative expenses	29	2,833	3,116
			5,798	8,757

17.3 Intangible assets represent the cost of ERP software.

17.4 The residual value of these intangible assets is insignificant. These intangibles are not internally generated.

17.5 Intangible assets included fully amortised assets still in the use of the Group having cost amounting to Rs. 133.365 million (2024: Rs. 127.900 million).

17.6 This represents advance payment made by the Group for acquisition of licence, technical know-how and data related to processes of the Group.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18 Long Term Loans

	2025	2024
	---- Rupees in	Thousands ----
Due from employees - considered good	6,750	9,792
Present value adjustment	(1,084)	(2,059)
	5,666	7,733
Current portion of long term loans	(3,250)	(3,250)
	2,416	4,483

18.1 This represents interest free loan given to employees in accordance with the terms of employment. The loan is secured against the property documents and is recoverable over a period of five years including grace period of one year. These loan are discounted using effective interest rate ranging from 17.73% to 18.14% per annum (2024: 17.73% to 18.14% per annum).

19 Long Term Deposits

	Note	2025	2024
		---- Rupees in	Thousands ----
Utility companies		15,102	15,102
Other deposits	19.1	275	5,102
		15,377	20,204

19.1 These are in the normal course of business and are interest free.

20 Stores and Spares

	Note	2025	2024
General stores and spares	20.1	269,073	243,170
General stores and spares in transit		14,787	24,499
Working solution		267,848	259,713
Less: Provision for obsolescence	20.2	(25,474)	(3,445)
		526,234	523,937

20.1 General stores and spares include raw material for working solution of Rs. 39.874 million (2024: Rs. 52.528 million).

20.2 Movement of provision for obsolescence is as under:

	2025	2024
Opening balance	3,445	103,389
Provision for the year	22,029	-
	25,474	103,389
Less: Stores and spares written off	-	(99,944)
Balance as at June 30,	25,474	3,445

21 Stock in Trade

	Note	2025	2024
		---- Rupees in	Thousands ----
Raw materials		230,510	464,897
Raw materials in transit		209,962	29,672
Packing material		26,372	17,994
Finished goods	21.1		
- purchased for resale		-	638
- own manufactured		186,755	118,224
		653,599	631,425

21.1 This includes provision for obsolescence of finished goods amounting to Rs. 1.249 million (2024: Rs. 1.249 million).

22 Trade Debts

	Note	2025	2024
		---- Rupees in Thousands ----	
Considered good:	22.1		
-Local sales		145,122	171,540
-Foreign sales		44,055	4,106
Considered doubtful		15,139	6,204
		204,316	181,850
Less: Expected credit loss allowance	22.2	(15,139)	(6,204)
		189,177	175,646

22.1 These include balance amounting to Rs. 122.653 million (2024: Rs. 158.42 million) secured by way of inland letter of credit.

22.2 Expected Credit Loss Allowance

	Note	2025	2024
		---- Rupees in Thousands ----	
Opening balance		6,204	6,204
Loss allowance for the year		8,935	-
		15,139	6,204
Less: Bad debts written off		-	-
		15,139	6,204

22.3 Trade debtors do not have any history of default.

23 Loans, Advances, Deposits, Prepayments and Other Receivables

	Note	2025	2024
Advances to supplier - Unsecured			
- Considered good		39,913	15,079
- Considered doubtful		3,843	3,843
		43,756	18,922
Provision for doubtful advances	23.1	(3,843)	(3,843)
		39,913	15,079
Advances and short term loans to employees (Unsecured - Considered good)	23.2	14,413	5,334
Security deposits		6,915	6,915
Sales tax refundable - Net		33,522	14,577
Prepayments		5,628	7,481
Contract asset		-	4,549
		100,391	53,935

23.1 Provision for doubtful advances

	2025	2024
Opening balance	3,843	1,848
Charge for the year	-	1,995
	3,843	3,843
Less: Balance written off	-	-
Balance as at June 30,	3,843	3,843

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23.2 These include current portion of interest free loans amounting to Rs. 3.250 million (2024: Rs. 3.250 million) given to employees as per the Group's policy (refer to Note 18). These loans are recoverable within 12 months from salary in monthly installments.

24 Short Term Investments

	2025	2024
	---- Rupees in	Thousands ----
Fair Value through Profit or Loss		
NBP Money Market Fund		
69.833 million units (2024: 8.369 million units)	700,627	83,760
NBP Cash Fund		
Nil (2024: 5.624 million units)	-	56,295
NBP Financial Sector Income Fund		
88.325 units (2024: Nil)	1	-
	700,628	140,055

25 Bank Balances

	Note	2025	2024
		---- Rupees in	Thousands ----
Current accounts	25.1	192,261	368,287
Saving accounts	25.2	150,655	93,473
	25.3	342,916	461,760

25.1 This includes shariah compliant bank deposits in Meezan Bank Limited amounting to Rs. 58.918 million (2024: Rs. 18.665 million).

25.2 These carry mark up at the rate of 10% to 15% (2024: 19.5% to 20.5%) per annum.

25.3 The above figures reconcile to the amount of cash and cash equivalents shown in the statement of cash flow.

26 Sales

	Note	2025	2024
		---- Rupees in	Thousands ----
Gross sales			
- Local		6,888,614	6,434,955
- Foreign		305,415	418,933
	26.1	7,194,029	6,853,888
Commission		(141,331)	(140,713)
Sales tax		(1,053,850)	(975,142)
		5,998,848	5,738,033

26.1 Gross sales are sales recognized at a point in time.

26.2 Contract balances

	Note	2025	2024
Trade receivables	26.2.1	189,177	175,646
Contract liabilities	26.2.2	118,829	85,724
Contract assets		-	4,549

26.2.1 Trade receivables are non-interest bearing and become due after 30 to 120 days of invoice date.

26.2.2 Contract liabilities represents short term advances received from customers against delivery of goods in future. Revenue recognized in the current year that was included in the contract liabilities at the beginning of the year amounts to Rs. 82.034 million (2024: Rs. 122.800 million).

		Note	2025	2024
			---- Rupees in	Thousands ----
26.3	Geographical markets			
	Asia		294,985	415,882
	Europe		10,430	-
	Africa		-	3,051
			305,415	418,933

		Note	2025	2024
27	**Cost of Sales**			
	Raw materials consumed		2,397,985	2,310,411
	Packing materials		12,467	16,883
	Salaries, wages and other benefits	27.1	317,308	253,839
	Repairs and maintenance		129,423	307,441
	Shut down expenses		-	28,771
	Fuel and power		879,526	1,079,531
	Quality assurance		5,453	5,801
	Services through contractors		97,666	83,864
	Travelling and conveyance		14,324	15,636
	Communication		2,778	2,247
	Rent and rates		35,749	8,679
	Insurance		23,821	25,262
	Safety items consumed		4,561	4,429
	Amortization of intangible assets	17.2	2,965	5,641
	Depreciation on property, plant and equipment:	16.1.3		
	- owned assets		366,657	378,103
	- right of use assets		-	18,717
	Miscellaneous		6,326	18,400
			4,297,009	4,563,655
	Add: Opening work in process		17,994	33,513
	Less: Closing work in process		(26,372)	(17,994)
			(8,378)	15,519
	Cost of goods produced		4,288,631	4,579,174
	Add: Opening finished goods		118,224	122,970
	Less: Closing finished goods		(186,755)	(118,224)
			(68,531)	4,746
			4,220,100	4,583,920

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27.1 Salaries, wages and other benefits include Rs. 6.855 million (2024: Rs. 6.81 million) in respect of provident fund contribution by the Group.

28 Administrative Expenses

	Note	2025	2024
		---- Rupees in	Thousands ----
Salaries, allowances and other benefits	28.1	151,134	101,284
Vehicle running and maintenance		6,519	8,601
Entertainment		5,145	1,953
Communication		1,474	537
Printing and stationery		3,907	1,926
Travelling and conveyance		7,582	924
Repairs and maintenance		2,594	1,512
Insurance		58	70
Donations	28.2	11,470	18,806
Fees and subscriptions		32,243	27,286
Legal and professional fee		12,543	14,202
Auditors' remuneration	28.3	5,725	5,725
Depreciation on property, plant and equipment	16.1.3	3,336	2,894
Amortization of intangible assets	17.2	2,833	3,116
Miscellaneous		3,724	4,597
		250,287	193,433

28.1 Salaries, wages and other benefits include Rs. 3.165 million (2024: Rs. 2.680 million) in respect of provident fund contribution by the Group.

28.2 This represents donation made to M/s Bilquis Abdul Razzak Dawood Foundation, a related party due to common directorship.

28.3 Auditors' remuneration:

	2025	2024
- Audit fee	2,900	2,900
- Half yearly review	1,100	1,100
- Audit of group financial statements, group reporting and other certifications	1,725	1,725
	5,725	5,725

29 Distribution and Selling Costs

	Note	2025	2024
Salaries, allowances and other benefits	29.1	34,767	46,006
Communication		1,176	624
Travelling and conveyance		20,481	18,588
Advertisement		20,349	17,934
Insurance		62	44
Freight and forwarding		62,508	48,315
Fees and subscriptions		16,192	16,452
Royalty	29.2	29,544	28,443
Rent, rates and taxes		7,657	11,732
Depreciation on property, plant and equipment	16.1.3	1,114	914
Miscellaneous		607	1,524
		194,457	190,576

29.1 Salaries, wages and other benefits include Rs. 0.743 million (2024: Rs. 0.830 million) in respect of provident fund contribution by the Group.

29.2 This represents royalty charged by Descon (Private) Limited, a related party due to common directorship, located at Descon Headquarters, 18-Km, Ferozepur Road, Lahore.

30 Other Operating Expenses

	Note	2025	2024
		---- Rupees in	Thousands ----
Worker's (profit) participation fund	10.4	48,073	43,963
Worker's welfare fund	10.5	27,654	18,666
Balances written off		14,202	-
Provision for obsolescence	20.2	22,029	-
Expected credit loss allowance	22.2	8,935	-
Loss on disposal of property, plant and equipment		75	-
Provision for doubtful advances		-	1,995
		120,968	64,624

31 Finance Cost

	Note	2025	2024
Markup on :			
- Long term finance	31.1	2,726	2,808
- Finances under markup arrangements - secured		894	10,111
- Lease liabilities		-	3,047
Bank and other charges		6,411	7,871
		10,031	23,837

31.1 Amortization of deferred grant of Rs. 6.123 million (2024: Rs. 7.349 million) has been netted off against the markup on long term finances.

32 Other Income

	2025	2024
	---- Rupees in	Thousands ----
Profit on bank deposits	21,157	29,998
Dividend income from investments	1,503	91,557
Realized gain on sale of investments	60,891	3,851
Unrealized gain on investments	961	308
Unwinding of long term loan	975	1,726
Scrap sales	6,274	9,533
Gain on disposal of property, plant and equipment	-	60
Exchange gain	14,230	4,170
Excess liability written back	-	31,410
	105,991	172,613

33 Taxation

	2025	2024
- Current year	544,315	277,035
- Adjustment for prior years	(38,660)	28,956
	505,655	305,991
Deferred tax	(72,420)	11,971
	433,235	317,962

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

		2025	2024
33.1	**Reconciliation of tax charge for the year**	---- Rupees in	Thousands ----
	Profit before levy and taxation	1,308,996	854,256
	Tax @ 29% (2024: 29%) on profit before taxation	379,609	247,734
	Adjustment on account of normal tax	9,178	(47,743)
	Prior year tax	(38,660)	28,956
	Super tax	155,528	77,044
	Deferred taxation	(72,420)	11,971
		433,235	317,962
33.2	**Reconciliation of Levy and Income tax under IAS-12**		
	Current tax liability as per applicable tax laws	562,820	335,271
	Portion of current tax liability representing income tax as per IAS -12	(547,221)	(305,991)
	Portion of current tax liability representing levy as per IFRIC 21 / IAS 37	(15,599)	(29,280)
	Difference	-	-

33.3 The current tax expense for the year is calculated using corporation tax rate of 29% (2024: 29%) and super tax at 10% (2024: 10%). Deferred tax assets and liabilities on temporary differences are measured at effective rate of 39% (2024: 39%).

			2025	2024
34	**Earnings per Share**			
	Profit for the year	Rupees in thousand	860,162	507,014
	Weighted average number of ordinary shares	Number in thousand	175,031	175,031
	Earning per share - basic	Rupees	4.91	2.90

34.1 There is no dilution effect on the earnings per share of the Group as the Group does not have any convertible instruments in issue as at the reporting date which would have any effect on the earnings per share if the option to convert is exercised.

35 Cash Generated from Operations

		Note	2025	2024
			---- Rupees in	Thousands ----
Profit before levy and taxation			1,308,996	854,256
Adjustments for:				
-	Depreciation on property, plant and equipment	16.1.3	371,107	381,911
-	Depreciation on right of use asset		-	18,717
-	Amortization of intangible asset	17	5,798	8,757
-	Balances written off		14,202	-
-	Provision for obsolescence of stock	27	22,029	-
-	Excess liability written back	32	-	(31,410)
-	Expected credit loss allowance	22	8,935	-
-	Foreign operation translation reserve		456	(467)
-	Unwinding of long term loan	32	(975)	(1,726)
-	Provision for doubtful advances	23	-	1,995
-	Interest on bank deposits	32	(21,157)	(29,998)
-	Dividend income	32	(1,503)	(91,557)
-	Unrealized gain on investment	32	(961)	(308)
-	Net exchange gain	32	(14,230)	(4,170)
-	Finance cost	31	10,031	23,837
-	Loss / (gain) on disposal of property, plant and equipment	30 & 32	75	(60)
			393,807	275,521
Operating profit before working capital changes			1,702,803	1,129,777
(Increase) / decrease in current assets				
-	Stores and spares		(24,326)	16,353
-	Stock in trade		(30,904)	85,752
-	Trade debts		(22,466)	(10,142)
-	Loans and advances		(46,456)	64,324
Increase / (decrease) in current liabilities				
-	Trade and other payables		278,490	(287,858)
			154,338	(131,571)
Cash Generated from Operations			1,857,141	998,206

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36 Liabilities Arising from Financing Activities

	Note	As at June 30, 2024	Non-cash changes	Cash flows (Net)	As at June 30, 2025
		---- Rupees in Thousands ----			
Long term financing	7	126,115	-	(26,899)	99,216
Dividends payable		11,243	700,124	(692,401)	18,966
Finances under mark up arrangements - secured	12	-	-	114,257	114,257
Total liabilities from financing activities		137,358	700,124	(605,043)	232,439

	Note	As at June 30, 2023	Non-cash changes	Cash flows (Net)	As at June 30, 2024
		---- Rupees in Thousands ----			
Long term financing - secured	7	153,489	-	(27,374)	126,115
Dividends payable		9,177	350,062	(347,996)	11,243
Lease liabilities		21,742	3,047	(24,789)	-
Finances under mark up arrangements - secured	12	110,383	-	(110,383)	-
Total liabilities from financing activities		294,791	353,109	(510,542)	137,358

37 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in the consolidated financial statements for the year as remuneration and benefits paid to the chief executive officer, directors and executives of the Group are as follows:

	Chief Executive Officer		Non-Executive Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	---- Rupees in Thousands ----							
Remuneration	25,537	22,990	-	-	84,926	68,589	110,463	91,579
Meeting fee	-	-	1,313	2,125	-	-	1,313	2,125
Contribution to provident fund	1,581	1,424	-	-	4,253	3,939	5,834	5,363
Car allowance	1,164	1,164	-	-	15,171	14,353	16,335	15,517
Medical facility	578	-	-	-	1,821	1,538	2,399	1,538
Bonus	1,884	5,069	-	-	5,654	11,485	7,538	16,554
Advisory fee	-	-	-	15,240	-	-	-	15,240
	30,744	30,647	1,313	17,365	111,825	99,904	143,882	147,916
Number of persons	1	1	7	7	19	14		

37.1 An Executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

38. Balances and Transaction with Related Parties

Related parties comprise the parent 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. The Group enters into transactions with related parties 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 or received for any related party's receivable or payable balances. Significant balances and transactions with related parties are as follows:

Transaction during the year

Nature of Transaction	Related Party	Relationship	2025	2024
			---- Rupees in Thousands ----	
1. Sale of Goods				
Sale of goods	Descon Engineering Limited	Associate	57	77
2. Goods / Services Purchased				
Ticketing purchased	Interworld Travels (Private) Limited	Associate	7,477	1,211
Ticketing purchased	Popular Travels and Tours	Associate	-	573
Services for Manpower, Calibration and PSV Calibration	Inspectest (Private) Limited	Associate	18,458	18,169
Purchase and other services	Descon Engineering Limited	Associate	2,804	6,600
IT Services	Descon Corporation (Private) Limited	Associate	-	8,406
Reimbursement of cost				
3. Expenses Charged by Related Parties				
Descon Engineering Limited			21,350	23,097
Descon Corporation (Private) Limited			67,406	59,791
Descon Oxychem Limited - Employees Provident Fund Trust			11,009	5,042
Descon (Private) Limited			29,544	28,443
4. Expenses Charged to Related Parties				
Descon Corporation (Private) Limited			8,496	6,398
5. Payments Received / (Made) - Net				
Descon Engineering Limited			(30,236)	(21,527)
Descon Corporation (Private) Limited			(61,453)	(60,854)
Descon (Private) Limited			-	(32,598)
Interworld Travels (Private) Limited			(7,729)	(1,211)
Popular Travels and Tours			-	(573)
Inspectest (Private) Limited			(17,113)	(16,336)
6. Dividends Paid				
Descon Engineering Limited			226,844	113,420
Descon Corporation (Private) Limited			40,206	20,094
DEL Chemicals (Private) Limited			241,436	120,702

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Loan Repayment and Donation		
Afzal Ali	750	500
Muhammad Mushfiq Hussain	2,500	2,500
Bilquis Abdul Razzak Dawood Foundation	11,470	18,806
Balance outstanding as at June 30,		
Trade Creditors		
Descon Engineering Limited	5,499	11,638
Descon Corporation (Private) Limited	1,816	4,359
Inspectest (Private) Limited	1,345	-
Accrued Liabilities		
Descon Engineering Limited	5,168	5,168
Descon (Private) Limited	50,495	20,951
Inspectest (Private) Limited	3,392	3,195

38.1 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place.

S. No.	Company Name	Relationship	% of Shareholding
1	DEL Chemicals (Private) Limited	Holding Company	34.48%
2	Descon Engineering Limited	Associate	32.40%
3	Descon Corporation (Private) Limited	Associate	5.74%
4	Interworld Travels (Private) Limited	Associate	N/A
5	Inspectest (Private) Limited	Associate	N/A
6	Descon (Private) Limited	Associate	N/A
7	Descon Oxychem FZE	Subsidiary Company	100.00%
8	Mr. Taimoor Dawood	Director	0.11%
9	Mr. Farooq Nazir	Director	0.0003%
10	Mr. Faisal Dawood	Director	0.0666%
11	Ms. Mehreen Dawood	Director	0.0003%
12	Mr. Asif Qadir	Director	0.0003%
13	Mr. Jehanzeb Khan	Director	0.0003%
14	Mr. Muhammad Zahir	Director	0.0003%
15	Mr. Yasir Siddique	Chief Executive Officer	None
16	Mr. Muhammad Mushfiq Hussain	Key Management Personnel	None
17	Ms. Rabia Shoaib	Key Management Personnel	None
18	Mr. Tauheed Ahmed Khan	Key Management Personnel	None
19	Mr. Adil Akbar	Key Management Personnel	None
20	Ms. Shanzay Haider	Key Management Personnel	None
21	Mr. Azhar Ali	Key Management Personnel	None
22	Mr. Fawad Ul Islam Hirani	Key Management Personnel	None
23	Mr. Afzal Ali	Key Management Personnel	None
24	Mr. Imran Rauf Butt	Key Management Personnel	None
25	Mr. Muhammad Bilal Hussain	Key Management Personnel	None
26	Mr. Mujahid Ali	Key Management Personnel	None

39. Financial Risk Management

39.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Group's exposure resulting from outstanding import and export payments.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to US Dollars, Great Britain Pounds and UAE Dirham. The Group's exposure to currency risk as at reporting date is as follows:

	2025	2024
	---- Rupees in Thousands ----	
Receivables	44,055	4,106
Bank balances	176,171	231,084
Trade and other payables	(2,898)	(6,046)
Letters of credit outstanding	(293,983)	(158,549)
	(76,655)	70,595

The following significant exchange rates were applied during the year.

June 30, 2025	**AED**	**USD**	**GBP**
Average rate	77.03	281.05	370.39
Reporting date rate	77.27	283.76	388.86

June 30, 2024	**AED**	**USD**	**GBP**
Average rate	77.73	282.60	358.60
Reporting date rate	76.78	278.34	351.92

Sensitivity analysis

If the functional currency, as at the reporting date, had weakened / strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 0.767 million (2024: Rs. 0.706 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Group is exposed to price risk in respect of certain investments amounting to Rs. 700.628 million (2024: Rs. 140.055 million).

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Group by Rs. 7.006 million (2024: Rs. 1.401 million) on the basis that all other variables remain constant.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from short and long-term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk.

As at the reporting date the interest rate profile of the Group’s interest bearing financial instruments was as under:

	2025	2024
Fixed rate instruments	---- Rupees in Thousands ----	
Financial liabilities		
Long term financing	99,216	126,115
Floating rate instruments		
Financial liabilities		
Finances under mark up arrangements	114,257	-
Financial assets		
Saving accounts	150,655	93,473

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2025, if interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.364 million (2024: Rs. 0.935 million), mainly as a result of interest exposure on variable rate instruments.

Cash flow sensitivity analysis for fixed rate instruments

The Group has certain financial liabilities at fixed rate. Therefore, no impact on profit or loss of the Group is expected.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its trade debts, deposits with banks, investments and certain other financial instruments.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating as available from external credit agencies are accepted.

As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

		2025	2024
		---- Rupees in Thousands ----	
Long term loans	Note 18	6,750	9,792
Trade debts	Note 22	189,177	175,646
Other receivables	Note 23	6,915	11,464
Short term investments	Note 24	700,628	140,055
Bank balances	Note 25	342,916	461,760

The aging of trade debts as at the reporting date was as follows:

	2025	2024
1 - 30 days	70,646	65,593
31 - 60 days	74,810	69,459
61 - 180 days	43,721	40,594
More than 180 days	-	-
	189,177	175,646

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

	Rating		Rating		
	Short term	Long term	Agency	2025	2024
				---- Rupees in Thousands ----	
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	42,885	28,036
Bank Al-Habib Limited	A1+	AAA	PACRA	66,764	117,539
Bank Alfalah Limited	A1+	AAA	PACRA	3,531	2,644
Allied Bank Limited	A1+	AAA	PACRA	-	54,685
The Bank of Punjab Limited	A1+	AA+	PACRA	20,113	53,746
Meezan Bank Limited	A1+	AAA	VIS	58,918	18,665
First Abu Dhabi Bank	A1+	AAA	VIS	150,655	186,445
National Bank of Pakistan	A1+	AAA	PACRA	50	-
				342,916	461,760

(c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Contractual maturities of financial liabilities as at June 30, 2025:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
			---- Rupees in Thousands ----			
Long term financing	99,216	102,133	27,437	30,063	44,633	-
Trade and other payables	633,950	633,950	633,950	-	-	-
Finances under mark up arrangements - secured	114,257	114,257	114,257	-	-	-
Dividend payable	18,966	18,966	18,966	-	-	-
Accrued finance costs	990	990	990	-	-	-
	867,379	870,296	795,600	30,063	44,633	-

Contractual maturities of financial liabilities as at June 30, 2024:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
			---- Rupees in Thousands ----			
Long term financing	126,115	132,042	29,474	30,063	72,505	-
Trade and other payables	438,210	438,210	438,210	-	-	-
Dividend payable	11,243	11,243	11,243	-	-	-
Accrued finance cost	1,241	1,241	1,241	-	-	-
	576,809	582,736	480,168	30,063	72,505	-

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1 Quoted market prices
Level 2 Valuation techniques (market observable)
Level 3 Valuation techniques (non market observable)

	Total	Level 1	Level 2	Level 3
		---- Rupees in Thousands ----		
Short term investment - 2025	700,628	700,628	-	-
Short term investment - 2024	140,055	140,055	-	-

39.2 Financial instruments by categories

Financial asset as at amortized cost	Note	2025	2024
		---- Rupees in Thousands ----	
Long term loans	18	6,750	9,792
Trade debts	22	189,177	175,646
Other receivables	23	6,915	11,464
Bank balances	25	342,916	461,760
		545,758	658,662
Financial asset as at fair value through profit or loss			
Short term investments	24	700,628	140,055
Financial liabilities at amortized cost			
Long term financing	7	99,216	126,115
Trade and other payables	10	633,950	438,210
Accrued mark up	11	990	1,241
Finances under mark up arrangements - secured	12	114,257	-
Dividend Payable		18,966	11,243
		867,379	576,809

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

The internal reporting provided to the CEO for the Holding 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 Holding Company is domiciled in Pakistan. All of the Holding Company's income is from the entities incorporated in Pakistan. The Holding 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 year (2024: 10%). Further, aggregate sales to major distributors represented 88% (2024: 83%) of the revenue and each distributor individually exceeded 10% of the revenue.

- *Information about geographical areas*

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

Revenue from foreign sales is Rs. 305.415 million (2024: Rs. 418.933 million).

- Information about product

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

41 Capital Risk Management

While managing capital, the objectives of the Group are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Group ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital employed is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Group was worked out as under:

	2025	2024
	---- Rupees in Thousands ----	
Total borrowings	213,473	126,115
Cash and bank balances	(342,916)	(461,760)
Net debt	(129,443)	(335,645)
Equity	3,376,220	3,215,726
Total capital employed	3,246,777	2,880,081
Gearing ratio	Not Geared	Not Geared

42 Shari'ah Screening Disclosure

	Note	2025	2024
		---- Rupees in Thousands ----	
Financing (long term, short term or lease financing) obtained as per Islamic mode		-	-
Interest or mark-up accrued on any conventional loan or advance	11.1	990	1,241
Long-term and short term shariah compliant investments		-	-
Shariah-compliant bank deposits, bank balances and TDRs	25.3	58,918	18,665
Revenue earned from a shariah compliant business segments	26	5,916,317	5,738,033
Break-up of late payment or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from shariah compliant associates		-	-
Profit earned from shariah compliant bank deposits/bank balances		-	-
Exchange gain / (loss) earned from actual currency	32 & 30	14,230	4,170
Exchange gain earned using conventional derivative financial instruments		-	-
Profit paid on islamic mode of financing		-	5,625
Interest earned on any conventional loan or advance		10,550	14,239
Relationship with shariah compliant banks	12 & 25	Meezan Bank	Meezan Bank

42.1 This pertains to the markup paid to Meezan Bank Limited on finances under markup arrangements - secured utilised.

43 Plant Capacity and Production

		Production Capacity		Actual Production	
		2025	2024	2025	2024
Production of hydrogen peroxide (on 100% concentration and based on 365 working days)	metric tonnes	21,000	21,000	21,210	20,186
Production of packing material (based on 365 working days)	Number	1,080,000	1,080,000	974,096	929,261

43.1 Production of goods relates to the sales orders received from customers and the Group produces goods to meet those orders.

44 Number of Employees

	2025 Number	2024 Number
Number of employees as at June 30,		
- Permanent	105	105
- Contractual	12	12
Average number of employees during the year		
- Permanent	105	105
- Contractual	6	6

45. Authorization of Financial Statements

These consolidated financial statements were approved and authorized by the Board of Directors of the Holding Company for issuance on September 03, 2025..

46. Subsequent Events

The Board of Directors of the Holding Company has proposed a final cash dividend of Rs. 2 per share (2024: Rs. 2 per share) for the year ended June 30, 2025 at their meeting held on September 03, 2025 for the approval of members at the Annual General Meeting to be held on October 22, 2025. These consolidated financial statements do not include the effect of these appropriations which will be accounted for in the period in which they are approved.

47. General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these consolidated financial statements.

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

THE COMPANIES ACT, 2017
(Section 227(2)(f))

PATTERN OF SHAREHOLDING

1.1 Name of the Company **DESCON OXYCHEM LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2025**

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
937	1	100	32,145
825	101	500	289,056
2,027	501	1,000	1,358,037
1,525	1,001	5,000	3,779,689
428	5,001	10,000	3,248,506
156	10,001	15,000	1,961,848
82	15,001	20,000	1,492,070
76	20,001	25,000	1,751,909
49	25,001	30,000	1,380,833
17	30,001	35,000	566,430
22	35,001	40,000	845,363
13	40,001	45,000	566,324
38	45,001	50,000	1,880,516
7	50,001	55,000	363,795
11	55,001	60,000	638,376
8	60,001	65,000	501,286
6	65,001	70,000	404,981
8	70,001	75,000	589,024
1	75,001	80,000	80,000
6	80,001	85,000	495,480
1	85,001	90,000	88,000
1	90,001	95,000	92,800
13	95,001	100,000	1,299,760
3	100,001	105,000	301,474
4	105,001	110,000	433,067
4	110,001	115,000	451,034
3	115,001	120,000	352,000
1	120,001	125,000	123,127
1	125,001	130,000	130,000
3	130,001	135,000	395,882
1	135,001	140,000	135,300
1	145,001	150,000	147,600
1	150,001	155,000	155,000
1	160,001	165,000	164,703
1	165,001	170,000	170,000
2	170,001	175,000	346,000
2	175,001	180,000	355,368
2	185,001	190,000	380,000
3	190,001	195,000	580,435
1	195,001	200,000	200,000
1	200,001	205,000	200,200

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
1	205,001	210,000	208,712
2	225,001	230,000	456,567
1	230,001	235,000	230,977
1	245,001	250,000	250,000
1	270,001	275,000	273,060
1	280,001	285,000	280,500
2	295,001	300,000	595,603
1	305,001	310,000	306,895
1	330,001	335,000	334,400
2	340,001	345,000	688,077
1	385,001	390,000	386,393
1	425,001	430,000	429,404
3	435,001	440,000	1,317,000
1	440,001	445,000	444,300
1	470,001	475,000	473,000
2	495,001	500,000	1,000,000
1	530,001	535,000	535,000
1	545,001	550,000	545,021
1	615,001	620,000	618,542
1	740,001	745,000	743,000
1	795,001	800,000	796,000
1	995,001	1,000,000	1,000,000
1	1,335,001	1,340,000	1,337,000
1	1,365,001	1,370,000	1,369,416
1	4,560,001	4,565,000	4,563,100
1	10,050,001	10,055,000	10,051,697
1	56,710,001	56,715,000	56,711,084
1	60,355,001	60,360,000	60,358,918
6,326			**175,031,084**

Categories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2025

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	381,060	0.2177%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	127,121,699	72.6281%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	348,877	0.1993%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	117,070,002	66.8853%
2.3.8 General Public		
a. Local	41,630,121	23.7844%
b. Foreign	3,641	0.0021%
2.3.9 Others (to be specified)		
- Joint Stock Companies	4,977,023	2.8435%
- Others	568,663	0.3249%

Categories of Shareholding required under Code of Corporate Governance (CCG)

S. No.	NAME	HOLDING	% AGE
	DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN		
1	MR. TAIMUR DAWOOD (CDC)	580	0.0003
	MR. TAIMUR DAWOOD	191,980	0.1097
2	MR. FAISAL DAWOOD (CDC)	580	0.0003
	MR. FAISAL DAWOOD	116,000	0.0663
3	MR. FAROOQ NAZIR (CDC)	580	0.0003
4	MRS. MEHREEN DAWOOD (CDC)	580	0.0003
5	MR. ASIF QADIR	580	0.0003
6	MR. MUHAMMAD ZAHIR	580	0.0003
7	MRS. HUMAIRA DAWOOD W/O TAIMUR DAWOOD	69,600	0.0398
		381,060	0.2177
	ASSOCIATED COMPANIES		
1	DESCON CORPORATION (PVT.) LIMITED (CDC)	10,051,697	5.7428
2	DEL CHEMICALS (PRIVATE) LIMITED (CDC)	60,358,918	34.4847
3	DESCON ENGINEERING LIMITED (CDC)	56,711,084	32.4006
		127,121,699	72.6281
	NIT & ICP	0	0.0000
	FINANCIAL INSTITUTION		
		0	0.0000
	INSURANCE COMPANIES		
1	ASKARI LIFE ASSURANCE COMPANY LIMITED (CDC)	5,800	0.0033
2	SALAAM TAKAFUL LIMITED (CDC)	343,077	0.1960
		348,877	0.1993
	MODARABAS	0	0.0000
	MUTUAL FUNDS	0	0.0000
	PENSION FUNDS	0	0.0000

JOINT STOCK COMPANIES			
1	AMER SECURITIES (PRIVATE) LIMITED (CDC)	3,480	0.0020
2	ASDA SECURITIES (PVT.) LTD. (CDC)	175,000	0.1000
3	BACKERS & PARTNERS (PRIVATE) LIMITED - MF (CDC)	22,400	0.0128
4	BMA CAPITAL MANAGEMENT LTD. - MF (CDC)	132,500	0.0757
5	CENTRAL FACILITATION AGENCY (PVT.) LIMITED (CDC)	100,000	0.0571
6	CREATIVE CAPITAL SECURITIES (PRIVATE) LIMITED - MF (CDC)	4,000	0.0023
7	ELLAHI CAPITAL (PRIVATE) LIMITED (CDC)	438,000	0.2502
8	FAZAL HOLDINGS (PVT.) LIMITED (CDC)	1,337,000	0.7639
9	FDM CAPITAL SECURITIES (PVT) LIMITED (CDC)	50,000	0.0286
10	INTERMARKET SECURITIES LTD(FORMERLY EFG HERMES PAK.LTD) - MF (CDC)	62,879	0.0359
11	JS GLOBAL CAPITAL LIMITED - MF (CDC)	80,915	0.0462
12	K & I GLOBAL CAPITAL (PRIVATE) LIMITED (CDC)	50	0.0000
13	KTRADE SECURITIES LIMITED (CDC)	1	0.0000
14	M. A. OILS (PVT.) LIMITED (CDC)	1,369,416	0.7824
15	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000
16	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF (CDC)	439,000	0.2508
17	MRA SECURITIES LIMITED (CDC)	101,000	0.0577
18	MRA SECURITIES LIMITED - MF (CDC)	112,000	0.0640
19	N. U. A. SECURITIES (PRIVATE) LIMITED - MF (CDC)	25,000	0.0143
20	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	112,951	0.0645
21	NEXT LEVAL APPAREL (PRIVATE) LIMITED (CDC)	3,500	0.0020
22	NH SECURITIES (PVT) LIMITED. (CDC)	3,480	0.0020
23	PAKISTAN HOUSE INTERNATIONAL LTD (CDC)	2,320	0.0013
24	PEARL SECURITIES LIMITED - MF (CDC)	20,000	0.0114
25	RAFI SECURITIES (PRIVATE) LIMITED - MF (CDC)	40,000	0.0229
26	SOS CAPITAL LIMITED (CDC)	10,000	0.0057
27	SPECTRUM SECURITIES LIMITED - MF (CDC)	113,367	0.0648
28	STANDARD CAPITAL SECURITIES (PVT) LIMITED - MF (CDC)	30,007	0.0171
29	TRADE SMART SECURITIES (PRIVATE) LIMITED (CDC)	100,000	0.0571
30	WALI GLOBAL (PRIVATE) LIMITED (CDC)	3,000	0.0017
31	Y.H. SECURITIES (PVT.) LTD. (CDC)	20,000	0.0114
32	ZAREA LIMITED (CDC)	1	0.0000
33	A.M.MANSUR LLP (CDC)	100	0.0001
34	LIZAZ PROPERTIES (PRIVATE) LIMITED (CDC)	1	0.0000
35	RAFUM CORPORATION (PRIVATE) LIMITED (CDC)	65,654	0.0375
		4,977,023	2.8435
FOREIGN COMPANIES		0	0.0000
OTHERS			
1	TRUSTEES D.G.KHAN CEMENT CO.LTD.EMP. P.F (CDC)	273,060	0.1560
2	AJ FOUNDATION (CDC)	295,603	0.1689
		568,663	0.3249
EXECUTIVES		0	0.0000
SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)		3,641	0.0021
SHARES HELD BY THE GENERAL PUBLIC (LOCAL)		41,630,121	23.7844
		41,633,762	23.7865
	TOTAL:	**175,031,084**	**100.0000**

List of S. Holders Holding ≥ 10% of total Capital

S. No.	Name	Holding	Percentage
1	DEL CHEMICALS (PRIVATE) LIMITED (CDC)	60,358,918	34.4847
2	DESCON ENGINEERING LIMITED (CDC)	56,711,084	32.4006
		117,070,002	**66.8853**

List of S. Holders Holding ≥ 5% of total Capital

S. No.	Name	Holding	Percentage
1	DEL CHEMICALS (PRIVATE) LIMITED (CDC)	60,358,918	34.4847
2	DESCON ENGINEERING LIMITED (CDC)	56,711,084	32.4006
3	DESCON CORPORATION (PVT.) LIMITED (CDC)	10,051,697	5.7428
		127,121,699	**72.6281**

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

Sr. No.	Name	Sale	Purchase
	NIL		

Categories of Shareholding required under Code of Corporate Governance (CCG)

As on June 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	DESCON CORPORATION (PVT.) LIMITED (CDC)	10,051,697	5.7428
2	DEL CHEMICALS (PRIVATE) LIMITED (CDC)	60,358,918	34.4847
3	DESCON ENGINEERING LIMITED (CDC)	56,711,084	32.4006
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. TAIMUR DAWOOD (CDC)	192,560	0.1100
2	MR. FAISAL DAWOOD (CDC)	116,580	0.0666
3	MR. FAROOQ NAZIR (CDC)	580	0.0003
4	MRS. MEHREEN DAWOOD (CDC)	580	0.0003
5	MR. ASIF QADIR	580	0.0003
6	MR. MUHAMMAD ZAHIR	580	0.0003
7	MRS. HUMAIRA DAWOOD W/O TAIMUR DAWOOD	69600	0.0398
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		348,877	0.1993
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	DEL CHEMICALS (PRIVATE) LIMITED (CDC)	60,358,918	34.4847
2	DESCON ENGINEERING LIMITED (CDC)	56,711,084	32.4006
3	DESCON CORPORATION (PVT.) LIMITED (CDC)	10,051,697	5.7428

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

Sr. No.	Name	Sale	Purchase
	NIL		

Notice of Annual General Meeting

Notice is hereby given that the 21th Annual General Meeting ("AGM") of Descon Oxychem Limited (the 'Company') will be held on Wednesday, October 22, 2025 at 10:00 a.m. at the registered office of the Company at Descon Headquarters 18-Km Ferozepur Road, Lahore to transact the following business:

Ordinary Business:

1) To confirm minutes of the last Annual General Meeting of the Company held on 16-10-2024.

2) To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June 2025 together with the reports of Directors' and Auditors thereon, along with the Annual Audited Consolidated Financial Statements of the Company for the year ended 30th June 2025 along with the Auditor's report.

3. To appoint the External Auditors of the Company for the ensuing year and fix their remuneration. The present auditors M/s. Crowe Hussain Chaudhary & Co., Chartered Accountants, have retired and being eligible have offered themselves for re-appointmentas Auditors of the Company for year ending on 30 June 2026.

4. To approve, as recommended by the Board of Directors, payment of Final Cash Dividend @ 20% (i.e. PKR 2.00 per ordinary share) for the year ended June 30, 2025.

5. To transact any other business with the permission of the Chair.

By order of the Board

Abdul Sohail
Company Secretary

Lahore
September 29, 2025

NOTES:

Circulation of Annual Report through QR Code and Through Web link

In accordance with the Section 223 of the Companies Act, 2017 and pursuant to SRO389(I)/ 2023 dated 21 March 2023 of the Securities & Exchange Commission, the Company has obtained Shareholders' approval in the Extraordinary General Meeting of the Company held on June 23,2023 to circulate the Annual Report of the Company to Members through QR enabled Code and Web link. The Annual Report is available through following QR Code and Web link.

http://www.descon.com/en/DOL_Accounts_2025.pdf

Participation in the AGM Proceeding Via the Video Conference Facility

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for 21st Annual General Meeting," along with valid copy of their CNIC to shareholders@descon.com Video link and log incredentials will be shared with ONLY those Members, whose email, containing particulars (i.e. Name, Folio No, CNIC No. / NTN) is received from official Email ID, at least 48 hours before the AGM.

Closure of Share Transfer Books

The Share Transfer Books of the Company will be closed from 15-10-2025 to 22-10-2025 (both days inclusive). Transfers received at the Corplink (Pvt.) Limited, 1-K, Commercial Model Town Lahore the close of business on 14 Oct, 2025 will be treated in time for the purpose of above entitlement of final cash dividend.

For Attending the Meeting

Incase of individuals, the Account Holder sorsub-account holders and / or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original CNIC or original passport at the time of attending the meeting.

In the case of a corporate entity, the Board of Directors' Resolution / Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier)at the time of attending the meeting.

Proxy

A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend, speak and vote in his place at the Meeting. A' Proxy Form' appointing a proxy must be deposited at the Registered Office of the Company, at least 48 hours before the time of the meeting, along with copy of CNIC of Proxy. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee along with his/her copy of CNIC shall be provided at least 48 hours before the time of the meeting. The Form of Proxy in English and Urdu is attached in the Annual Report and should be witnessed by two persons whose names, addresses and CNIC Numbers should be mentioned on the Forms. The Form of Proxy is also available on the Company's website(www.descon.com).

Updating of Particulars

The Share holders are requested to promptly notify change in their address, if any, to the Company's Share Registrar. Incase of Corporate entity, the share holders are requested to promptly notify change in their particulars of their authorized representative, if applicable.

Submission of Copies of Valid CNIC Not Provided Earlier

Individual Share holders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. Incase of non-availability of a valid copy of the Share holders' CNIC in there cords of the Company, the company shall with hold the Dividend under the provisions of Section 243 of the Companies Act, 2017.

With holding Tax on Dividend

Currently, the deduction of with holding tax on the amount of dividend paid by the companies under section150 of the Income Tax Ordinance, 2001,are as under:

For Persons appearing in Active Tax Payer list (ATL)	15%
For Persons not appearing in Active Tax Payer list (ATL)	30%

Share holders who have filed their Return are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, other wise they shall be treated as persons not appearing in AT Land taxon their cash dividend will be deducted at the rate of 30%, instead of 15%.

With holding tax on Dividend in Case of Joint Account Holders

In order to enable the Company to follow the directives of the regulators to determine share holding ratio of the Joint Account Holder (s) (where share holding has not been determined by the Principal share holder) for deduction of with holding tax on dividend of the Company, share holders are requested to please furnish the share holding ratio detail soft hem selves as Principal shareholder and their Joint Holders, to the Company's Share Registrar, enabling the Company to compute with holding tax of each share holder accordingly. The required information must reach the Company's Share Registrar by September 26.2025, other wise each share holder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

Payment of Cash Dividend Electronically (E-mandate)

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory that dividend payable in cash, shall only be paid through electronic mode directly in to the bank account designated by the entitled share holder.

In compliance with the above provisions, the Company hereby again requests the shareholders to provide details of their bank mandate specifying: (I) title of account, (ii) account number, (iii) IBAN number (iv) bank name and (v) branch name, code & address; to Company's Share Registrar, CDC Share Registrar Services Limited. Share holders who hold shares with Participants / Central Depository Company of Pakistan (CDC) are advised to provide the mandate to the concerned Broker/CDC. In absence of the complete bank details, including IBAN mentioned above, the company shall with hold the Dividend under the provision of Section 243 of the Companies Act, 2017.

Conversion of Physical Shares into Book-Entry Form (i.e. CDC Account)

Section 72 of the Companies Act, 2017, requires all listed companies to replace the share sheld in physical form with the shares to be issued in Book Entry Form with in four (04) years from the date of the promulgation of the Companies Act 2017. Pursuant to the SECP letter No. CSD/ED/ Misc. /2016-639-640 dated March 26, 2021, the Company is following up with all share holders holding shares in physical form with the request to convert their shares in Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Shareholders are again requested to contact the Company's Share Registrar to under stand and complete the process of conversion of share sheld in physical form, into the Book-Entry Form.

Distribution of Annual Report and Notice of Meetings through Email (Optional)

Pursuant to the provisions of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their Annual Audited Financial Statements, along with Auditor's Report, Directors' Report etc. (“Annual Report”) and the Notice of AGM (“Notice”), to its shareholders by email. The Annual Report of the Company for the year ended June 30, 2025 is also available on the Company's website (www.descon.com)

Notes


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@jamapunji_pk
*Mobile apps are also available for download for android and ios devices
Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan
SECP

Form of Proxy
Descon Oxchem Limited

IMPORTANT
This form of proxy, in order to be effective, must be deposited duly completed, at the Company's registered office at Descon Headquarters, 18-KM, Ferozepur Road, Lahore not less than 48 hours before the time of holding the meeting. A Proxy must be member of the Company. Signature should agree with the specimen register with the Company. Please quote registered Folio / CDC Account numbers

I/We ______________________________

of ______________________________

being a member of Descon Oxychem Limited entitled to vote and holder of ______________

ordinary shares, hereby appoint Mr./Mrs./Mst. ______________________________

of ______________________________

Who is also a member of the Company, as my/our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held at Descon Headquarters, 18-km, Ferozepur Road, Lahore on Wednesday, October 22, 2025 at 10:00 am and at any Adjournment there of.

As witness my / Our hand this ______________ day of ______________ 2025.

Signed by the said ______________ in the presence of ______________

____
(Member's Signature)

Place ______________

Date ______________

____
(Witness's Signature)

Affix
Revenue Stamp which
must be cancelled
either by signature
over it or by some
other means

BOOK POST

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