



April 23, 2026

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building Stock
Exchange Road
Karachi:

Subject: **Financial Results For The Period Ended 31-03-2026**

Dear Sir,

We have to inform you that the Board of Directors of Descon Oxychem Limited in its meeting held on Thursday, April 23 2026, at 10:00 am has recommended the following:

CASH DIVIDEND- NIL

BONUS SHARES- NIL

RIGHT SHARES- NIL

The approved Unconsolidated and Consolidated financial results of the Company are enclosed herewith as at **Annexure “A” and “Annexure B”**

Following Statements are attached as: Annexure-A (Unconsolidated)

1. Standalone Statements of Financial Position
2. Standalone Statements of Profit and Loss
3. Standalone Statement of Changes in Equity
4. Standalone Statements of Cash Flows

Annexure-B (Consolidated)

1. Consolidated Statements of Financial Position
2. Consolidated Statements of Profit and Loss
3. Consolidated Statement of Changes in Equity
4. Consolidated Statements of Cash Flows
5. Directors Report

The Quarterly Report of the Company will be transmitted through PUCARS separately, within the specified time.

Thanking you

Yours faithfully,

For Descon Oxychem Limited


(ABDUL SOHAIL)
COMPANY SECRETARY

Descon Oxychem Limited:



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DESCON OXYCHEM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2026

	Un-audited March 31, 2026	Audited June 30, 2025	Un-audited March 31, 2026	Audited June 30, 2025
	(Rupees in thousand)		(Rupees in thousand)	
EQUITY AND LIABILITIES				
Share Capital And Reserves				
Authorized share capital	3,000,000	3,000,000		
300,000,000 (2025: 300,000,000) ordinary shares of Rs 10 each	3,000,000	3,000,000		
Issued, subscribed and paid up share capital				
175,031,084 (2025: 175,031,084) Ordinary shares of Rs 10 each	1,750,311	1,750,311		
Share Premium	3,022	3,022		
Unappropriated Profit	1,057,613	1,517,162		
	2,810,946	3,270,495		
Non-Current Liabilities				
Long term financing	48,545	66,099		
Deferred grant	3,598	6,218		
Deferred tax liability	112,427	131,652		
	164,570	203,969		
Current Liabilities				
Current portion of non current liabilities	26,899	26,899		
Finances under mark up arrangements - secured	918,742	114,257		
Trade and other payables	745,250	851,614		
Income tax payable	-	83,488		
Dividend payable	21,704	18,966		
Accrued finance costs	21,349	990		
	1,733,944	1,096,214		
Contingencies and Commitments				
	4,709,460	4,570,678		
ASSETS				
Non-Current Assets				
Property, plant and equipment	1,837,029	1,758,840		
Intangible assets	461,435	391,722		
Long term investment	1,964	1,964		
Long term loans	1,239	2,416		
Long term deposits	15,377	15,377		
	2,317,044	2,170,319		
Current Assets				
Stores and spares	546,357	526,234		
Stock-in-trade	760,688	653,599		
Trade debts	238,036	227,986		
Loans, advances, deposits, prepayments and other receivables	150,435	99,651		
Tax refund due from the government	149,636	-		
Short term investments	451,371	700,628		
Bank balances	95,894	192,261		
	2,392,416	2,400,359		
	4,709,460	4,570,678		

DESCON OXYCHEM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2026

	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
	<u>March 31, 2026</u>	<u>March 31, 2025</u>	<u>March 31, 2026</u>	<u>March 31, 2025</u>
(Rupees in thousand).....			
Sales	1,184,712	1,420,797	3,608,367	4,576,179
Cost of sales	(1,021,062)	(934,007)	(2,974,359)	(3,126,973)
Gross profit	163,650	486,790	634,008	1,449,206
Administrative expenses	(66,022)	(60,367)	(199,579)	(177,638)
Distribution and selling costs	(51,343)	(43,878)	(186,109)	(135,436)
Operating profit	46,284	382,546	248,319	1,136,132
Other income	21,211	19,595	119,607	66,532
Other operating expenses	(1,127)	(27,387)	(22,547)	(82,157)
Finance cost	(22,811)	(3,396)	(41,153)	(8,630)
Profit before levy and taxation	43,557	371,358	304,225	1,111,877
Levy	(5,472)	-	(5,472)	-
Profit before taxation	38,085	371,358	298,753	1,111,877
Taxation				
-Income tax	(24,362)	(144,635)	(77,402)	(407,395)
-Deferred tax	10,105	(7,417)	19,224	(26,235)
Net profit for the period	23,828	219,306	240,575	678,247
Earnings per share				
- Basic & Diluted - Rupees	0.14	1.25	1.37	3.88

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DESCON OXYCHEM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

	Share Capital	Capital Reserves Share Premium	Revenue Reserves Unappropriated Profit	Total
.....(Rupees in thousand).....				
Balance as on July 1, 2024 (audited)	1,750,311	3,022	1,427,127	3,180,460
Net profit for the period	-	-	678,247	678,247
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	678,247	678,247
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 Dec 31, 2024 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as on March 31, 2025 (un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,405,250</u>	<u>3,158,583</u>
Balance as on July 1, 2025 (audited)	1,750,311	3,022	1,517,162	3,270,495
Net profit for the period	-	-	240,575	240,575
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	240,575	240,575
Transactions with owners				
Final dividend for the year ended June 30, 2025 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Interim dividend for the period ended Dec 31, 2025 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as on March 31, 2026 (un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,057,613</u>	<u>2,810,946</u>

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DESCON OXYCHEM LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

	Nine-month period ended	
	March 31, 2026	March 31, 2025
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	230,926	1,546,576
Finance cost paid	(20,795)	(8,630)
Profit on deposits received	3,802	17,073
Income tax and levy paid	(315,998)	(204,986)
Net cash (used in)/generated from operating activities	(102,065)	1,350,033
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased (including intangible)	(381,227)	(408,419)
Short term investment - net	300,000	(311,006)
Long term deposits	-	4,827
Net cash used in investing activities	(81,226)	(714,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	(20,174)	(20,174)
Finances under markup arrangement - net	804,485	-
Dividend Paid	(697,386)	(689,666)
Net cash generated from/(used in) financing activities	86,924	(709,840)
Net decrease in cash and cash equivalents	(96,367)	(74,405)
Cash and cash equivalents at beginning of the period	192,261	275,315
Cash and cash equivalents at the end of the period	95,894	200,910

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DESCON OXYCHEM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2025

	Un-audited March 31, 2026	Audited June 30, 2025		Un-audited March 31, 2026	Audited June 30, 2025
	(Rupees in thousand)			(Rupees in thousand)	
EQUITY AND LIABILITIES					
Share Capital And Reserves					
Authorized Share capital	3,000,000	3,000,000			
300,000,000 (2025: 300,000,000) ordinary shares of Rs 10 each					
Issued, subscribed and paid up share capital	1,750,311	1,750,311			
175,031,084 (2025: 175,031,084) Ordinary shares of Rs 10 each	3,022	3,022			
Share Premium	1,241,150	1,622,898			
Unappropriated Profit	(2,475)	(11)			
Translation reserve	2,992,008	3,376,220			
	48,545	66,099			
Non-Current Liabilities					
Long term financing	3,598	6,218			
Deferred grant	112,427	131,652			
Deferred tax liability	164,570	203,969			
	26,899	26,899			
Current Liabilities					
Current portion of non current liabilities	918,743	114,257			
Finances under mark up arrangements - secured	755,037	852,594			
Trade and other payables	-	87,405			
Income tax payable	21,704	18,966			
Dividend payable	21,349	990			
Accrued finance costs	1,743,731	1,101,111			
	4,900,309	4,681,300			
Contingencies And Commitments					
	4,900,309	4,681,300			
ASSETS					
Non-Current Assets					
Property, plant and equipment	1,837,029	1,758,840			
Intangible assets	464,592	391,722			
Long term loans	1,239	2,416			
Long term deposits	15,377	15,377			
	2,318,237	2,168,355			
Current Assets					
Stores and spares	546,357	526,234			
Stock-in-trade	760,688	653,599			
Trade debts	185,422	189,177			
Loans, advances, deposits, prepayments and other receivables	149,492	100,391			
Tax refund due from the government	144,629	-			
Short term investments	563,358	716,588			
Bank balances	232,127	326,956			
	2,582,072	2,512,945			
	4,900,309	4,681,300			

DESCON OXYCHEM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2026

	Three-month period ended		Nine-month period ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
(Rupees in thousand).....			
Sales	1,207,696	1,437,193	3,696,798	4,631,181
Cost of sales	<u>(1,021,062)</u>	<u>(934,007)</u>	<u>(2,974,359)</u>	<u>(3,126,973)</u>
Gross profit	186,634	503,186	722,439	1,504,208
Administrative expenses	<u>(70,362)</u>	<u>(60,510)</u>	<u>(203,918)</u>	<u>(178,220)</u>
Distribution and selling costs	<u>(51,343)</u>	<u>(43,878)</u>	<u>(186,109)</u>	<u>(135,436)</u>
	<u>(121,705)</u>	<u>(104,388)</u>	<u>(390,027)</u>	<u>(313,656)</u>
Operating Profit	64,928	398,799	332,412	1,190,553
Other income	21,996	19,595	120,392	66,532
Other operating expenses	(1,663)	(27,485)	(24,460)	(82,157)
Finance cost	(22,848)	(3,410)	(41,267)	(8,714)
Profit before levy and taxation	<u>62,413</u>	<u>387,499</u>	<u>387,077</u>	<u>1,166,213</u>
Levy	(5,472)	-	(5,472)	-
Profit before taxation	<u>56,941</u>	<u>387,499</u>	<u>381,605</u>	<u>1,166,213</u>
Taxation				
- Income tax	(25,024)	(144,995)	(82,453)	(408,901)
- Deferred tax	10,105	(7,417)	19,224	(26,235)
Net profit for the period	<u>42,022</u>	<u>235,087</u>	<u>318,376</u>	<u>731,077</u>
Profit attributable to:				
- Equity holders of the Parent Company	42,022	235,087	318,376	731,077
- Non controlling interest	-	-	-	-
	<u>42,022</u>	<u>235,087</u>	<u>318,376</u>	<u>731,077</u>
Earnings per share				
- Basic & Diluted - Rupees	<u>0.24</u>	<u>1.34</u>	<u>1.82</u>	<u>4.18</u>

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DESCON OXYCHEM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

	Share Capital	Capital Reserves Share Premium	Revenue Reserves Unappropriated profit	Translation Reserve	Total
.....(Rupees in thousand).....					
Balance as on July 1, 2024 (audited)	1,750,311	3,022	1,462,860	(467)	3,215,726
Net profit for the period	-	-	731,077	-	731,077
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	731,077	-	731,077
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 Dec 31, 2024 @ 20% (Rs 2 per share)	-	-	(350,062)	-	(350,062)
Balance as on March 31, 2025 (un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,493,813</u>	<u>(467)</u>	<u>3,246,679</u>
Balance as on July 1, 2025 (audited)	1,750,311	3,022	1,622,898	(11)	3,376,220
Net profit for the period	-	-	318,376	-	318,376
Other comprehensive income for the period	-	-	-	(2,464)	(2,464)
Total comprehensive income for the period	-	-	318,376	(2,464)	315,912
Transactions with owners					
Final dividend for the year ended June 30, 2025 @ 20% (Rs 2 per share)	-	-	(350,062)	-	(350,062)
Interim dividend for the period ended Dec 31, 2025 @ 20% (Rs 2 per share)	-	-	(350,062)	-	(350,062)
Balance as on March 31, 2026 (un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,241,150</u>	<u>(2,475)</u>	<u>2,992,008</u>

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DESCON OXYCHEM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

	Nine-month period ended	
	March	March
	31, 2026	31, 2025
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	332,558	1,495,576
Finance cost paid	(20,909)	(8,714)
Profit on deposits received	3,802	17,073
Income tax and levy paid	(319,959)	(204,995)
Net cash (used in)/generated from operating activities	(4,508)	1,298,941
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased (including intangible)	(381,221)	(408,419)
Short term investment - net	203,974	(311,006)
Long term deposits	-	4,827
Net cash used in investing activities	(177,247)	(714,598)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	(20,174)	(20,174)
Finances under markup arrangement - net	804,486	-
Dividend paid	(697,386)	(689,666)
Net cash generated from/(used in) financing activities	86,925	(709,840)
Net decrease in cash and cash equivalents	(94,829)	(125,497)
Cash and cash equivalents at beginning of the period	326,956	461,760
Cash and cash equivalents at the end of the period	232,127	336,263

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DIRECTORS REPORT TO THE SHAREHOLDERS

For the nine months ended March 31, 2026

The Board of Directors of Descon Oxychem Limited is pleased to share the Company's condensed interim consolidated financial results for the nine-month period ended March 31, 2026, along with the following overview of performance and outlook.

The period under review remained challenging for the Company, characterized by intense pricing pressure in the domestic market, primarily due to an influx of lower-priced imported hydrogen peroxide. Domestic prices remained subdued for most of the period and only began to recover towards the end of February 2026. Subsequent geopolitical developments in the region during March created temporary supply disruptions, which allowed some price correction.

Despite these external headwinds, the Company remained focused on operational efficiency, cost containment, and financial discipline, enabling it to maintain profitability during a period of heightened competitive pressure.

Financial Performance

A summary of the Company's financial performance is presented below:

	Quarter Ended		Nine Months Ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Sales Volume (MT)	11,018	9,814	32,175	32,073
	Rupees in million		Rupees in million	
Sales	1,207	1,437	3,697	4,631
Cost of Sales	(1,021)	(934)	(2,974)	(3,127)
Gross profit	186	503	722	1,504
EBITDA	186	483	687	1,477
Profit from operation	65	399	332	1,190
Profit after tax	42	235	318	731
EPS	0.24	1.34	1.82	4.18

During the nine-month period ended March 31, 2026, the Company reported net sales of Rs. 3,697 million, compared to Rs. 4,631 million in the corresponding period last year. The decline was primarily attributable to lower average selling prices, despite sales volumes remaining broadly stable year on year.

Gross profit for the period amounted to Rs. 722 million (March 31, 2025: Rs. 1,504 million), reflecting margin compression due to reduced product pricing. Profit from operations stood at Rs. 332 million, compared to Rs. 1,190 million in the corresponding period last year. The Company closed the period with a profit after tax of Rs. 318 million, as against Rs. 731 million in the same period last year.

Operational Performance

During the nine months ended March 31, 2026, the Company produced 31,522 metric tons of hydrogen peroxide. The Company continued its focused drive towards energy efficiency and resource optimization, resulting in improved operational efficiency indicators. Gas and power consumption factors remained within budgeted parameters and improved compared to the same period last year. These gains are attributable to enhanced process controls and improved plant reliability.

As part of its ongoing energy optimization initiatives, the Company successfully commissioned a 2 MW solar power project during the period. This initiative is expected to bring reduction in power input costs by 8% approx. The Company also plans to further enhance its solar power capacity to up to 4 MW in the next phase.

The Company undertook its annual plant turnaround commencing March 30, 2026, which was completed in 10.5 days, ahead of the planned 12-day schedule. The turnaround was executed safely and without any lost-time injuries, reflecting the Company's strong focus on safety and operational excellence.

Export and Logistics Environment

The reporting period was also impacted by geopolitical developments in the Middle East during March 2026, which disrupted key maritime trade routes. These disruptions led to shipment delays, rerouting, and elevated freight costs, including the imposition of multiple surcharges by shipping lines and reduced schedule reliability. The impact extended beyond Middle Eastern destinations and affected the Company's broader export logistics and cost structures.

Future Outlook

On the domestic front, the Company continues to actively engage with regulators to promote fair competition and to address market distortions arising from excessive reliance on imports. These efforts, together with an increasing emphasis on domestic manufacturing and supply security, are expected to support an improved demand–supply balance over the medium term.

While the prevailing regional dynamics have supported a degree of price recovery in the domestic market, the ongoing geopolitical situation has also resulted in disruptions across the Company's key production inputs. These disruptions have led to a sharp escalation in input costs, exerting pressure on margins despite recent improvements in selling prices. The Company continues to manage this environment through prudent cost controls, optimization initiatives, and selective price adjustments, while remaining cautiously optimistic that improved pricing discipline, combined with gradual supply-side normalization, will support margin stabilization over the medium term.

It is also pertinent to mention that ongoing energy sector challenges pose a potential risk to industrial demand, including demand for hydrogen peroxide in Pakistan. The Company remains cautious and continues to monitor market developments closely.

On the export front, despite ongoing logistical and cost challenges, the Company's market diversification strategy, focus on value-added exports, and disciplined approach to market development position it reasonably well to sustain export volumes and manage volatility over the medium term.

Acknowledgement

The Board would like to thank its customers, employees, shareholders, lenders, and business partners for their continued trust and support.