

PARTNERS IN
PROGRESS



QUARTERLY
REPORT

MARCH 31, 2024
(UN-AUDITED)

Descon Oxychem Limited



VISION

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

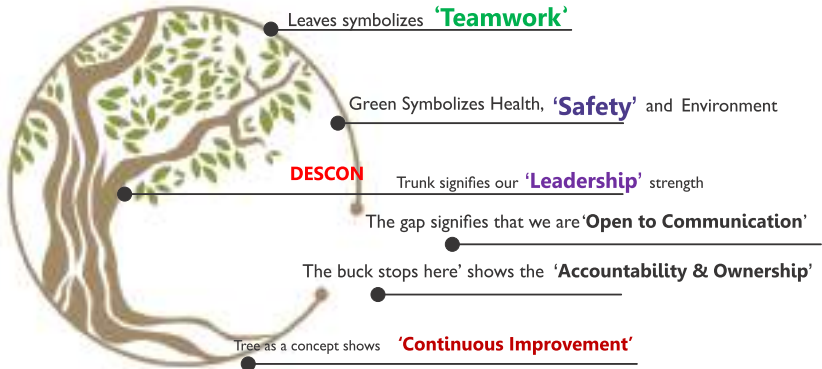


MISSION

We are determined to:

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

Our Core Values



Continuous Improvement

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



Leadership

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



Accountability and Ownership

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



Team Work

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



Open Communication

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



Safety

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

Contents

03	Company Information
04	Directors' Report - English
05	Directors' Report - Urdu
06	Condensed Interim Unconsolidated Statement of Financial Position
08	Condensed Interim Unconsolidated Statement of Profit or Loss Account
09	Condensed Interim Unconsolidated Statement of Comprehensive Income
10	Condensed Interim Unconsolidated Statement of Changes in Equity
11	Condensed Interim Unconsolidated Statement of Cash Flows
12	Notes to the Condensed Interim Unconsolidated Financial Statements
21	Consolidated
22	Condensed Interim Consolidated Statement of Financial Position
24	Condensed Interim Consolidated Statement of Profit or Loss Account
25	Condensed Interim Consolidated Statement of Comprehensive Income
26	Condensed Interim Consolidated Statement of Changes in Equity
27	Condensed Interim Consolidated Statement of Cash Flows
28	Notes to the Condensed Interim Consolidated Financial Statements

Company Information

Board of Directors

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

Muhammad Rizwan Qaiser

Chief Financial Officer

Abdul Sohail

Company Secretary

Auditors

M/s Crowe Hussain Chaudhury & Co.
Chartered Accountants

Internal Auditors

M/s KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

M/s Hassan & Hassan Advocates

Bankers

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

Share Registrar

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

Registered Office

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

Plant Site

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

Web Presence

Updated Company's Information
together with the latest Annual Report
can be accessed at Descon's website,
www.desconoxychem.com

DIRECTORS REPORT TO THE SHAREHOLDERS

For the nine months ended March 31, 2024

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

Your Company has closed nine months with lower prices and its impact on profitability due to slow down being faced by the textile sector and H2O2 imports into Pakistan. This reduction in price coupled with increased RLNG and energy cost led to depletion of margin and reduced profitability as compared to last year. The summarized financial performance appears below.

Financial Highlights

	Quarter ended		Nine-month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees in million		Rupees in million	
Sales	1,443	1,699	4,343	5,183
Cost of goods sold	(1,199)	(1,133)	(3,514)	(2,947)
Gross profit	241	567	829	2,236
Profit from operations	195	446	681	1,899
EBITDA	142	552	832	2,189
Profit before taxation	187	440	660	1,879
Tax	(69)	(147)	(274)	(578)
Profit for the period	120	293	386	1,301
Earnings per share – Basic	0.69	1.67	2.21	7.43

Your company generated an EBITDA of PKR 832 million vs PKR 2.2 bn in the corresponding period last year. In addition, the company delivered a net profit of PKR 386 million during the nine months compared with a net profit of PKR 1,301 million in the corresponding period last year. The decrease in profitability is driven by high RLNG / energy costs, high packing material cost, steep slide in product prices and dumping of product by international players into the Pakistani market.

The slide in H2O2 prices due to dumping of product by international players and slowdown of textile industry was partially hedged by exporting product as the company has during the past few years which has improved the Company's ability to place volumes overseas despite challenges.

With the improving economic situation and government's focus on implementing energy supply mix the company foresees improving sales and profitability in the short term. In addition to existing market demand, the company is focused on the development of additional segments in domestic market and international market.

The company's cash flow generated from operation has been PKR 613 million vs PKR 1.8 billion in the corresponding period last year.

Future Outlook

The challenge for your Company is to sustain financial performance by maintaining its margins in an environment of reduction in prices coupled with cost increases owing to global inflation and slowdown in textile sector. Your company is consistently working on strategies to ensure these challenges are met effectively and new markets are developed to create a hedge against margin erosion in the long term. Efforts to penetrate new segments and markets are being implemented alongside organic growth in Textile, Food and Mining sectors. Our target is to become the lowest cost producer to become a dominant player in the region by implementing a well thought through manufacturing excellence and international market development programs. The business continues to invest in areas which reinforce its advantageous position in safety, manufacturing efficiency and building market leadership in key geographies.

We would like to thank all stakeholders for their contribution and support.

For and on behalf of the Board

Lahore
April 17, 2024


CHIEF EXECUTIVE


DIRECTOR

ڈائریکٹرز رپورٹ برائے حصص داران

31 مارچ 2024 کو ختم ہونے والی نو ماہی کے لیے ڈائریکٹرز کی حصص داران کو رپورٹ
کھینچی کے بورڈ آف ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی مدت کے مالیاتی گوشوارے سے مندرجہ ذیل رپورٹ پیش کرتے ہوئے خوش محسوس کر رہے ہیں۔

پاکستان میں نیکیٹائل ٹیکسٹائل کوڈیشن سے رومی H2O2 کی درآمد کی وجہ سے آپ کی کھینچی نے نو ماہی کا اختتام کم قیمتوں اور منافع پر اس کے اثرات کے ساتھ کیا ہے۔ قیمت میں اس کی کے ساتھ ساتھ RRLNG اور توانائی کی
لاگت میں اضافہ نیز چند سال کے مقابلے میں مارچن اور منافع میں کمی کا باعث بنا۔ مالیاتی کارکردگی کا خلاصہ حسب ذیل ہے:

مالیاتی جھلکیاں

تفصیل		تختتہ سہ ماہی		تختتہ سہ ماہی	
		31 مارچ 2023	31 مارچ 2024	31 مارچ 2023	31 مارچ 2024
		روپے بلین میں		روپے بلین میں	
فروخت		1,699	4,343	5,183	1,443
فروختی اشیا کی لاگت		(1,133)	(3,514)	(2,947)	(1,199)
مجموعی منافع		567	829	2,236	241
آپریٹنگ منافع		446	681	1,899	195
EBITDA		552	832	2,189	142
عملے سے پہلے منافع		440	660	1,879	187
ٹیکس		(147)	(274)	(578)	(69)
مدت کے لئے منافع		293	386	1,301	120
فی ٹیکس آمدنی - بنیادی		1.67	2.21	7.43	0.69

آپ کی کھینچی نے گزشتہ سال کی اسی مدت میں 2.2 بلین روپے کے مقابلے میں 832 ملین روپے کا EBITDA کمایا۔ اس کے علاوہ، کھینچی نے نو ماہی کے دوران 386 ملین روپے کا خاص منافع فراہم کیا ہے جبکہ پچھلے سال
کی اسی مدت میں 1,301 ملین روپے کا خاص منافع ہوا تھا۔ منافع میں کمی آرائیل این پی توانائی کی زیادہ لاگت، پیچیدگ مواد کی زیادہ لاگت، مصنوعات کی قیمتوں میں تیزی سے کمی اور بین الاقوامی خریدوں کی جانب سے
پاکستانی مارکیٹ میں مصنوعات کی ڈیمینڈ کی وجہ سے ہوا ہے۔

بین الاقوامی خریدوں کی جانب سے مصنوعات کی ڈیمینڈ اور نیکیٹائل ٹیکسٹائل کی سست رومی کی وجہ سے H2O2 کی قیمتوں میں کمی کو جزوی طور پر مصنوعات کی برآمدات کو روکا گیا جیسا کہ کھینچی نے گزشتہ چند سالوں کے دوران
مطقات کے باوجود بیرون ملک حجم رکھنے کی کھینچی کی صلاحیت کو بہتر بنایا ہے۔

بہتری کی طرف کام زمن معاشی صورتحال اور توانائی گیس کی فراہمی کو نافذ کرنے پر حکومت کی توجہ کے ساتھ کھینچی مختصر مدت میں فروخت اور منافع میں بہتری کی توقع رکھتی ہے۔ موجودہ مارکیٹ طلب کے علاوہ، کھینچی کی توجہ مقامی
مارکیٹ اور بین الاقوامی مارکیٹ میں مزید شعبوں کی بہتری پر مرکوز ہے۔

آپریٹنگ منافع کھینچی کا نقد بہاؤ گزشتہ سال کی اسی مدت میں 1.8 بلین روپے کے برعکس 613 ملین روپے رہا ہے۔

مستقبل کا نقطہ نظر

آپ کی کھینچی کے لیے عالمی افراط زر اور نیکیٹائل ٹیکسٹائل میں سست رومی کی وجہ سے قیمتوں میں کمی کے ساتھ ساتھ لاگت میں اضافے کے ماحول میں اپنے مارچن کو برقرار رکھنے ہونے والی کارکردگی کو برقرار رکھنا ایک چیلنج ہے۔ آپ کی
کھینچی مسلسل حکمت عملیوں پر کام کر رہی ہے تاکہ یہ یقینی بنایا جاسکے کہ ان چیلنجوں کا موثر طریقے سے مقابلہ کیا جائے اور طویل مدتی مارچن میں کمی کے خلاف ایک بیج بنانے کے لیے نئی مارکیٹیں تلاش کی جائیں۔ نیکیٹائل ٹیکسٹائل، خورداک
اور کان کنی کے شعبوں میں نامیاتی نمونے کے ساتھ ساتھ شعبوں اور مہذبوں میں داخل ہونے کی کوششیں لاگو کی جارہی ہیں۔ ہمارا ہدف بیوٹیکسٹائل کیسٹنس لینس اور بین الاقوامی مارکیٹ کی ترقی کے ذریعے اچھی
سوجھ کو لاگو کر کے خطے میں ایک ڈیجیٹل ٹرانزیشن بننے کے لیے سب سے کم لاگت پر ڈیولپمنٹ ہے۔ کاروبار ان شعبوں میں سرمایہ کاری کرتا رہتا ہے جو حفاظت، بیوٹیکسٹائل کی کارکردگی اور نیکیٹائل ٹیکسٹائل میں مارکیٹ کی ترقی کی
تعمیر میں اپنا مفید پوزیشن کو تقویت دیتے ہیں۔

ہم تمام اسٹیک ہولڈرز کی شراکت اور تعاون کے لیے ان کا شکریہ ادا کرتے ہیں۔

لاہور
17 اپریل 2024ء

ڈائریکٹر

چیف ایگزیکٹو

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

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 300,000,000 (June 30, 2023: 300,000,000) ordinary shares of Rs 10 each		3,000,000	3,000,000
Issued, subscribed and paid up capital 175,031,084 (June 30, 2023: 175,031,084) ordinary shares of Rs 10 each		1,750,311	1,750,311
Share premium		3,022	3,022
Accumulated profits		1,343,614	1,306,150
		3,096,947	3,059,483
NON CURRENT LIABILITIES			
Long term finances - secured	5	98,649	100,300
Deferred taxation		182,632	192,100
Deferred grant		16,019	16,944
		297,300	309,344
CURRENT LIABILITIES			
Current portion of non current liabilities		30,844	57,987
Finances under mark up arrangements - secured		-	110,383
Trade and other payables	6	751,937	912,436
Income tax payable		96,055	576,675
Dividend payable		11,415	9,177
Accrued finance cost		2,571	345
		892,822	1,667,003
CONTINGENCIES AND COMMITMENTS			
	7		
		4,287,069	5,035,830

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	2,174,736	2,293,287
Intangible assets	8.2	17,644	25,161
Long term investment		1,964	1,964
Long term loans - secured		6,152	6,152
Long term deposits		24,471	24,471
		<u>2,224,967</u>	<u>2,351,035</u>
CURRENT ASSETS			
Stores and spares	9	547,921	540,290
Stock in trade	10	869,153	717,177
Trade debts		220,365	165,504
Advances, deposits, prepayments and other receivables		141,988	116,741
Short term investment	11	132,274	896,726
Income tax recoverable		-	-
Bank balances		150,401	248,357
		<u>2,062,102</u>	<u>2,684,795</u>
		<u><u>4,287,069</u></u>	<u><u>5,035,830</u></u>



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Note	Three-month period ended		Nine-month period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand)					
Sales	12	1,443,470	1,699,937	4,342,915	5,182,648
Cost of sales	13	(1,199,275)	(1,133,393)	(3,513,978)	(2,947,098)
Gross profit		244,195	566,544	828,937	2,235,550
Administrative expenses		(38,900)	(51,199)	(137,843)	(125,634)
Distribution and selling costs		(5,735)	(65,674)	(96,762)	(143,853)
Other income		20,489	30,925	148,398	71,586
Other operating expenses		(24,986)	(34,563)	(61,929)	(139,135)
Profit from operations		195,063	446,033	680,801	1,898,514
Finance costs		(7,764)	(6,353)	(20,680)	(19,854)
Profit before taxation		187,299	439,680	660,121	1,878,660
Taxation		(66,826)	(146,594)	(273,700)	(577,761)
Profit for the period		120,473	293,086	386,421	1,300,899

Earnings per share

- basic and diluted - Rupees 14

0.69	1.67	2.21	7.43
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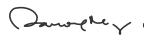
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

DESCON OXYCHEM LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Three-month period ended		Nine-month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand).....			
Profit for the period	120,473	293,086	386,421	1,300,899
Other comprehensive income				
- Items that may be reclassified subsequently to profit or loss	-	-	-	-
- Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income for the period	<u>120,473</u>	<u>293,086</u>	<u>386,421</u>	<u>1,300,899</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Share capital	Capital reserve	Revenue reserve	Capital and reserves
	Ordinary share capital	Share premium	Accumulated profits	Total
(Rupees in thousand).....			
Balance as on July 1, 2022 (audited)	1,750,311	3,022	605,642	2,358,975
Profit for the period	-	-	1,300,899	1,300,899
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,300,899	1,300,899
Transactions with owners, recognised directly in equity				
Final dividend for the year ended June 30, 2022 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Interim dividend for the period ended Dec 31, 2022 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as on March 31, 2023 (Un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,206,417</u>	<u>2,959,750</u>
Balance as on July 1, 2023 (audited)	1,750,311	3,022	1,306,150	3,059,483
Profit for the period	-	-	386,421	386,421
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	386,421	386,421
Transactions with owners, recognised directly in equity				
Final dividend for the year ended June 30, 2023 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as on March 31, 2024 (un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,343,614</u>	<u>3,096,947</u>

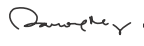
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CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

DESCON OXYCHEM LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Note	Nine-month period ended	
		March 31, 2024 (Rupees in thousand)	March 31, 2023
Cash flows from operating activities			
Cash generated from operations	16	569,945	1,803,022
Finance cost paid		(11,627)	(20,043)
Profit received on deposits		22,330	22,779
Net income tax paid		(763,788)	(273,607)
Long term loan to employee		-	(3,000)
Net cash generated from operating activities		(183,140)	1,529,151
Cash flows from investing activities			
Fixed capital expenditure		(184,087)	(200,055)
Proceeds from sale of short term investments		764,452	790,632
Purchase of short term investments		-	(1,172,037)
Long term deposits		-	(41,459)
Net cash (used in)/generated from investing activities		580,365	(622,919)
Cash flows from financing activities			
Repayments of long term finances - secured		(22,281)	(200,415)
Principal element of lease payments		(15,798)	(17,268)
Ordinary dividends paid		(346,719)	(693,519)
Net cash used in financing activities		(384,798)	(911,202)
Net (decrease)/increase in cash and cash equivalents		12,427	(4,970)
Cash and cash equivalents at beginning of the period		137,974	91,551
Cash and cash equivalents at the end of the period	17	150,401	86,581

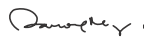
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

1. The Company and its operations

1.1 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 converted into a public limited company with effect from February 28, 2008. Subsequently, on September 15, 2008, it was listed on Karachi Stock Exchange (now Pakistan Stock Exchange). The registered office of the Company is situated at 18-KM Ferozpur Road, Lahore and the factory is situated at 18-KM Lahore-Sheikhupura Road, Lahore. The Company is principally engaged in the manufacture, procurement and sale of hydrogen peroxide and allied products. The Company commenced its commercial production on March 1, 2009.

2. Basis of preparation

2.1 Statement of compliance

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

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

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

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

2.2 These condensed interim financial statements comprise of the condensed interim These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023.

3. Significant accounting policies and estimates

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2023. Further, the basis of significant estimates are same as those that were applied to the financial statements for the year ended June 30, 2023, except for estimation of provision for taxation as referred to in note 4.

3.2 Standards, amendments and interpretations to published approved accounting standards

3.2.1 Standards, amendments and interpretations to existing standards effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting periods beginning on July 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4. Taxation

The provision for taxation for the quarter and nine months ended March 31, 2024 has been made using the tax rate that would be applicable to expected total annual earnings.

	Un-audited March 31, 2024	Audited June 30, 2023
	(Rupees in thousand)	
5. Long term finances - secured		
Opening balance	129,493	129,196
Less: Current portion of loan	(30,844)	(28,896)
	98,649	100,300

- 5.1 This represents the amount converted from the portion of Syndicate Term Finance Facility (STFF) obtained from Allied Bank Limited under the SBP's Temporary Economic Refinance Facility. Out of the available limit of Rs. 174.84 million as at March 31, 2024, the Company has utilised Rs. 174.84 million (June 30, 2023: Rs. 174.84 million). The recognised portion as at year end is exclusive of grant of Rs 20.44 million (June 30, 2023: Rs. 24.26 million). The loan carries markup at 2.00% per annum (June 30, 2023: 2.00% per annum) and is payable quarterly in arrears. The loan is repayable in twenty two equal quarterly installments ending on December 23, 2028. This loan is secured against first charge by way of hypothecation over all present and future fixed assets (excluding land and building) of the Company with 25% margin aggregating to Rs 1,466.67 million.

6. Trade and other payables

Trade creditors	267,076	191,058
Bills payable	37,817	173,316
Contract liability	72,576	131,988
Accrued liabilities	279,808	247,383
Worker's profit participation fund	32,826	120,942
Worker's welfare fund	57,638	44,239
Other liabilities	4,196	3,510
	751,937	912,436

7 Contingencies and Commitments

7.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the year ended June 30, 2023.

7.2 Commitments

The Company has the following commitments in respect of:

- i) Letters of credit for capital expenditure Rs. 58.382 million (June 30, 2023: Nil).
- ii) Letters of credit other than capital expenditure amounting to Rs. 224.106 million (June 30, 2023: Rs 296.4 million).

	Un-audited March 31, 2024	Audited June 30, 2023
	(Rupees in thousand)	
8. Property, plant and equipment		
Operating assets		
- Owned assets - note 8.1	1,979,929	2,068,782
- Right of use assets	3,924	18,717
Capital work-in-progress	66,105	114,196
Major spare parts, catalysts and standby equipment	124,778	91,592
	2,174,736	2,293,287
8.1 Owned assets		
Opening book value	2,068,782	2,127,348
Add: Additions during the period / year	198,993	307,305
	2,267,775	2,434,653
Less: Disposals during the period / year (at book value)	(34)	(52)
Less: Depreciation charged during the period / year	(287,812)	(365,819)
Closing book value	1,979,929	2,068,782
8.2 Intangible assets		
Opening net book value	25,161	26,972
Additions (at cost)	-	9,666
Amortization charge during the year	(7,517)	(11,477)
Closing net book value	17,644	25,161

	Un-audited March 31, 2024	Audited June 30, 2023
	(Rupees in thousand)	
9. Stores and spares		
General stores and spares	394,161	403,796
Working solution	257,149	239,883
Provision for obsolescence	(103,389)	(103,389)
	547,921	540,290
10. Stock in trade		
Raw materials	793,062	560,056
Work-in-process	23,181	33,513
Finished goods		
- purchased for resale	639	638
- own manufactured	52,271	122,970
	869,153	717,177
11.	This represents short term investment made in money market fund amounting to Rs 132 million (June 30, 2023: Rs 896.7 million).	

	Un-audited		Un-audited	
	Three-month period ended		Nine-month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand).....			
12. Sales				
Gross sales:				
- Local	1,572,519	1,940,173	4,923,213	5,597,019
- Export	124,486	87,076	271,800	511,504
	1,697,005	2,027,249	5,195,013	6,108,523
Less: Commission and discount on sales	(31,087)	(39,329)	(105,584)	(113,826)
Less: Sales tax	(222,448)	(287,983)	(746,514)	(812,049)
	1,443,470	1,699,937	4,342,915	5,182,648
13. Cost of sales				
Raw and packing material consumed	581,458	704,630	1,735,554	1,814,243
Salaries, wages and other benefits	72,959	60,325	199,193	156,034
Fuel and power	304,614	170,892	820,903	485,605
Services through contractors	14,918	14,778	58,894	48,382
Repair and maintenance	69,052	35,545	207,642	78,751
Shutdown expenses	(35,851)	-	27,340	-
Quality assurance	1,172	483	2,752	3,035
Travelling	5,254	4,531	9,856	12,131
Communication	572	1,078	1,544	1,881

DESCON OXYCHEM LIMITED

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

Rent & rates	3,638	3,413	8,044	7,574
Depreciation on property, plant and equipment:				
- owned assets	107,402	90,303	287,812	270,357
- right of use assets	5,435	5,417	14,792	14,709
Amortization of intangible assets	286	1,918	3,578	5,753
Insurance	6,310	3,594	18,933	10,777
Safety items consumed	(43)	540	3,108	2,235
Miscellaneous	24,055	5,850	33,002	14,659
	1,161,231	1,103,297	3,432,947	2,926,126
Add: Opening work in process	37,130	22,492	33,513	16,748
Less: Closing work in process	(23,181)	(34,931)	(23,181)	(34,931)
	13,949	(12,439)	10,332	(18,183)
Cost of goods produced	1,175,180	1,090,858	3,443,279	2,907,943
Add: Opening finished goods	76,366	83,129	122,970	25,263
Less: Closing finished goods	(52,271)	(40,594)	(52,271)	(40,594)
	24,095	42,535	70,699	(15,331)
Cost of goods sold - own manufactured	1,199,275	1,133,393	3,513,978	2,892,612
Cost of goods sold - purchase for resale	-	-	-	54,486
Cost of services	-	-	-	-
	1,199,275	1,133,393	3,513,978	2,947,098
	Un-audited		Un-audited	
	Three-month period ended		Nine-month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand).....			
14. Earnings per share				
14.1 Basic earnings per share				
Profit for the period	120,473	293,086	386,421	1,300,899
Weighted average number of ordinary shares	175,031	175,031	175,031	175,031
Earnings per share	0.69	1.67	2.21	7.43
14.2 Diluted earnings per share				

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2024 and March 31, 2023, which would have any effect on the earnings per share if the option to convert is exercised.

15. Transactions and balances with related parties

Relationship with the Company	Nature of transaction	Un-audited	
		Nine-month period ended	
		March 31, 2024 (Rupees in thousand)	March 31, 2023 (Rupees in thousand)
i. Associated companies	Purchase of goods and services	20,421	32,748
	Sale of goods	82,783	59
	Share of common expenses charged to the company	56,120	33,473
	Share of common expenses charged by the company	4,274	4,266
	Payment of ordinary dividend	254,243	432,215
ii. Directors	Royalty charged to the company	21,672	25,913
	Meeting fee	1,549	1,375
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	7,753	6,641
iv. Key management personnel	Salaries and other employee benefits	72,866	64,679

16. Cash generated from operations

	Un-audited	
	Nine-month period ended	
	March 31, 2024 (Rupees in thousand)	March 31, 2023 (Rupees in thousand)
Profit before taxation	660,121	1,878,660
Adjustments for:		
- Depreciation on property, plant and equipment:		
- owned assets	287,812	272,306
- right of use assets	14,792	14,709
- Amortization of intangible assets	7,517	8,213
- Finance costs	20,680	19,854
- Interest on bank deposits	(22,330)	(22,779)
- Gain on sale of Fixed Assets	-	(60)
- Unrealised gain on investment	(542)	(1,550)
- Exchange (gain)/ loss	2,109	(5,121)
Cashflows before working capital changes	970,159	2,164,232
Effect on cash flow due to working capital changes		
- Decrease / (Increase) in stores and spares	(7,631)	75,350
- Decrease / (Increase) in stock-in-trade	(151,976)	(276,263)
- Decrease / (Increase) in trade debts	(54,861)	(19,008)
- Decrease / (increase) in advances, deposits, prepayments and other receivables	(25,247)	37,760
- (Decrease) / increase in trade and other payables	(160,499)	(179,049)
	(400,214)	(361,210)
Cash generated from operations	569,945	1,803,022

	Un-audited March 31, 2024	Audited June 30, 2023
17. Cash and cash equivalents		
Bank balances	150,401	92,581
Finances under mark up arrangements - secured	-	(6,000)
	<u>150,401</u>	<u>86,581</u>

18. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at March 31, 2024 the Company held investment in money market fund carried at fair value based on level 1 input. Except for this short term investment, there were no Level 1, 2 or 3 assets or liabilities during current or prior period.

19. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2023.

There have been no significant changes in the risk management policies since the year end.

20. Subsequent event

There are no significant events after the statement of financial position date.

21. Date of authorization for issue

These condensed interim financial statements were authorized for issue on April 17, 2024 by the Board of Directors of the Company.

22. Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements have been made.



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DIRECTOR

CONSOLIDATED

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

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 300,000,000 (June 30, 2023: 300,000,000) ordinary shares of Rs 10 each		3,000,000	3,000,000
Issued, subscribed and paid up capital 175,031,084 (June 30, 2023: 175,031,084) ordinary shares of Rs 10 each		1,750,311	1,750,311
Share premium		3,022	3,022
Accumulated profits		1,362,998	1,306,150
		3,116,331	3,059,483
NON CURRENT LIABILITIES			
Long term finances - secured	5	98,649	100,300
Deferred taxation		182,632	192,100
Deferred grant		16,019	16,944
		297,300	309,344
CURRENT LIABILITIES			
Current portion of non current liabilities		30,844	57,987
Finances under mark up arrangements - secured		-	110,383
Trade and other payables	6	837,293	912,436
Income tax payable		96,055	576,675
Dividend payable		11,415	9,177
Accrued finance cost		2,571	345
		978,178	1,667,003
CONTINGENCIES AND COMMITMENTS			
	7		
		4,391,809	5,035,830

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


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DIRECTOR

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	2,174,736	2,293,287
Intangible assets	8.2	17,644	25,161
Long term investment		1,964	1,964
Long term loans - secured		6,152	6,152
Long term deposits		24,471	24,471
		<u>2,224,967</u>	<u>2,351,035</u>
CURRENT ASSETS			
Stores and spares	9	547,921	540,290
Stock in trade	10	869,153	717,177
Trade debts		220,365	165,504
Advances, deposits, prepayments and other receivables		143,976	116,741
Short term investment	11	132,274	896,726
Income tax recoverable		-	-
Bank balances		253,153	248,357
		<u>2,166,842</u>	<u>2,684,795</u>
		<u><u>4,391,809</u></u>	<u><u>5,035,830</u></u>



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DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Note	Three-month period ended		Nine-month period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand)					
Sales	12	1,464,021	1,699,937	4,363,466	5,182,648
Cost of sales	13	(1,199,275)	(1,133,393)	(3,513,978)	(2,947,098)
Gross profit		264,746	566,544	849,488	2,235,550
Administrative expenses		(39,843)	(51,199)	(138,786)	(125,634)
Distribution and selling costs		(5,735)	(65,674)	(96,762)	(143,853)
Other income		20,489	30,925	148,398	71,586
Other operating expenses		(24,986)	(34,563)	(61,929)	(139,135)
Profit from operations		214,671	446,033	700,409	1,898,514
Finance costs		(7,764)	(6,353)	(20,680)	(19,854)
Profit before taxation		206,907	439,680	679,729	1,878,660
Taxation		(66,826)	(146,594)	(273,700)	(577,761)
Profit for the period		140,081	293,086	406,029	1,300,899
Earnings per share					
- basic and diluted - Rupees ¹⁴		0.80	1.67	2.32	7.43

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



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DESCON OXYCHEM LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Three-month period ended		Nine-month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand).....			
Profit for the period	140,081	293,086	406,029	1,300,899
Other comprehensive income				
- Items that may be reclassified subsequently to profit or loss	-	-	-	-
- Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income for the period	140,081	293,086	406,029	1,300,899

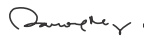
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Share capital	Capital reserve	Revenue reserve	Capital and reserves
	Ordinary share capital	Share premium	Accumulated profits	Total
(Rupees in thousand).....			
Balance as on July 1, 2022 (audited)	1,750,311	3,022	605,642	2,358,975
Profit for the period	-	-	1,300,899	1,300,899
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,300,899	1,300,899
Transactions with owners, recognised directly in equity				
Final dividend for the year ended June 30, 2022 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Interim dividend for the period ended Dec 31, 2022 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as on March 31, 2023 (Un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,206,417</u>	<u>2,959,750</u>
Balance as on July 1, 2023 (audited)	1,750,311	3,022	1,306,150	3,059,483
Profit for the period	-	-	406,029	406,029
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	406,029	406,029
Transactions with owners, recognised directly in equity				
Final dividend for the year ended June 30, 2023 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as on March 31, 2024 (un-audited)	<u>1,750,311</u>	<u>3,022</u>	<u>1,362,998</u>	<u>3,116,331</u>

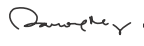
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DIRECTOR

DESCON OXYCHEM LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Note	Nine-month period ended	
		March 31, 2024	March 31, 2023
Cash flows from operating activities			
Cash generated from operations	16	672,921	1,803,022
Finance cost paid		(11,627)	(20,043)
Profit received on deposits		22,330	22,779
Net income tax paid		(763,788)	(273,607)
Long term loan to employee		-	(3,000)
Net cash generated from operating activities		(80,164)	1,529,151
Cash flows from investing activities			
Fixed capital expenditure		(184,087)	(200,055)
Proceeds from sale of short term investments		764,452	790,632
Purchase of short term investments		-	(1,172,037)
Long term deposits		-	(41,459)
Net cash (used in)/generated from investing activities		580,365	(622,919)
Cash flows from financing activities			
Repayments of long term finances - secured		(22,281)	(200,415)
Principal element of lease payments		(15,798)	(17,268)
Ordinary dividends paid		(346,943)	(693,519)
Net cash used in financing activities		(385,022)	(911,202)
Net (decrease)/increase in cash and cash equivalents		115,179	(4,970)
Cash and cash equivalents at beginning of the period		137,974	91,551
Cash and cash equivalents at the end of the period	17	253,153	86,581

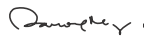
The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



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DIRECTOR

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

1. The Company and its operations

- 1.1 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 converted into a public limited company with effect from February 28, 2008. Subsequently, on September 15, 2008, it was listed on Karachi Stock Exchange (now Pakistan Stock Exchange). The registered office of the Company is situated at 18-KM Ferozpur Road, Lahore and the factory is situated at 18-KM Lahore-Sheikhupura Road, Lahore. The Company is principally engaged in the manufacture, procurement and sale of hydrogen peroxide and allied products. The Company commenced its commercial production on March 1, 2009.
- 1.2 The Holding Company is principally engaged in manufacture, procurement and sale of hydrogen peroxide and allied products. The Holding Company commenced its trial production on December 1, 2008 and commercial production on March 1, 2009.
- 1.3 The Holding company incorporated a wholly owned subsidiary "Descon Oxychem FZE" in Hamriyah Free Zone, Sharjah UAE on April 26, 2023. The principal line of business of subsidiary is import, export and trading of chemicals & related products, detergents & disinfectants, water treatment & purification to chemicals and raw materials.

2. Basis of preparation

2.1 Statement of compliance

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

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

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

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

- 2.1.2 These consolidated condensed interim financial statements comprise of the consolidated condensed interim statement of financial position of the Group, as at March 31, 2024 and the related consolidated condensed interim statement of profit or loss (un-audited), consolidated condensed interim statement of comprehensive income (un-audited), consolidated condensed interim statement of changes in equity (un-audited) and consolidated condensed interim statement of cash flows (un-audited) together with the notes forming part thereof.
- 2.1.3 These consolidated condensed interim financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended June 30, 2023.

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

2.2 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistan Rupees which is the Group's functional currency.

3. Significant accounting policies and estimates

3.1 The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2023. Further, the basis of significant estimates are same as those that were applied to the financial statements for the year ended June 30, 2023, except for estimation of provision for taxation as referred to in note 4.

3.2 Standards, amendments and interpretations to published approved accounting standards

3.2.1 Standards, amendments and interpretations to existing standards effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting periods beginning on July 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

4. Taxation

The provision for taxation for the quarter and nine months ended March 31, 2024 has been made using the tax rate that would be applicable to expected total annual earnings.

5. Long term finances - secured

	Un-audited March 31, 2024	Audited June 30, 2023
	(Rupees in thousand)	
Opening balance	129,493	129,196
Less: Current portion of loan	(30,844)	(28,896)
	<u>98,649</u>	<u>100,300</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

- 5.1 This represents the amount converted from the portion of Syndicate Term Finance Facility (STFF) obtained from Allied Bank Limited under the SBP's Temporary Economic Refinance Facility. Out of the available limit of Rs. 174.84 million as at March 31, 2024, the Company has utilised Rs. 174.84 million (June 30, 2023: Rs. 174.84 million). The recognised portion as at year end is exclusive of grant of Rs 20.44 million (June 30, 2023: Rs. 24.26 million). The loan carries markup at 2.00% per annum (June 30, 2023: 2.00% per annum) and is payable quarterly in arrears. The loan is repayable in twenty two equal quarterly installments ending on December 23, 2028. This loan is secured against first charge by way of hypothecation over all present and future fixed assets (excluding land and building) of the Company with 25% margin aggregating to Rs 1,466.67 million.

6. Trade and other payables	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
Trade creditors	351,178	191,058
Bills payable	39,071	173,316
Contract liability	72,576	131,988
Accrued liabilities	279,808	247,383
Worker's profit participation fund	32,826	120,942
Worker's welfare fund	57,638	44,239
Other liabilities	4,196	3,510
	837,293	912,436

7.1 Contingencies and commitments

7.2 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the year ended June 30, 2023.

Commitments

The Company has the following commitments in respect of:

- i) Letters of credit for capital expenditure Rs. 58.382 million (June 30, 2023: Nil).
- ii) Letters of credit other than capital expenditure amounting to Rs. 224.106 million (June 30, 2023: Rs 296.4 million).

8. Property, plant and equipment

Operating assets			
- Owned assets	- note 8.1	1,979,929	2,068,782
- Right of use assets		3,924	18,717
Capital work-in-progress		66,105	114,196
Major spare parts, catalysts and standby equipment		124,778	91,592
		2,174,736	2,293,287

	Un-audited March 31, 2024 (Rupees in thousand)	Audited June 30, 2023
8.1 Owned assets		
Opening book value	2,068,782	2,127,348
Add: Additions during the period / year	198,993	307,305
	<u>2,267,775</u>	<u>2,434,653</u>
Less: Disposals during the period / year (at book value)	(34)	(52)
Less: Depreciation charged during the period / year	(287,812)	(365,819)
Closing book value	<u>1,979,929</u>	<u>2,068,782</u>
8.2 Intangible assets		
Opening net book value	25,161	26,972
Additions (at cost)	-	9,666
Amortization charge during the year	(7,517)	(11,477)
Closing net book value	<u>17,644</u>	<u>25,161</u>
9. Stores and spares		
General stores and spares	394,161	403,796
Working solution	257,149	239,883
Provision for obsolescence	(103,389)	(103,389)
	<u>547,921</u>	<u>540,290</u>
10. Stock in trade		
Raw materials	793,062	560,056
Work-in-process	23,181	33,513
Finished goods		
- purchased for resale	639	638
- own manufactured	52,271	122,970
	<u>869,153</u>	<u>717,177</u>
11.	This represents short term investment made in money market fund amounting to Rs 132 million (June 30, 2023: Rs 896.7 million).	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Un-audited		Un-audited	
	Three-month period ended		Nine-month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
(Rupees in thousand).....			
12. Sales				
Gross sales:				
- Local	1,593,070	1,940,173	4,943,764	5,597,019
- Export	124,486	87,076	271,800	511,504
	1,717,556	2,027,249	5,215,564	6,108,523
Less: Commission and discount on sales	(31,087)	(39,329)	(105,584)	(113,826)
Less: Sales tax	(222,448)	(287,983)	(746,514)	(812,049)
	1,464,021	1,699,937	4,363,466	5,182,648
13. Cost of sales				
Raw and packing material consumed	581,458	704,630	1,735,554	1,814,243
Salaries, wages and other benefits	72,959	60,325	199,193	156,034
Fuel and power	304,614	170,892	820,903	485,605
Services through contractors	14,918	14,778	58,894	48,382
Repair and maintenance	69,052	35,545	207,642	78,751
Shutdown expenses	(35,851)	-	27,340	-
Quality assurance	1,172	483	2,752	3,035
Travelling	5,254	4,531	9,856	12,131
Communication	572	1,078	1,544	1,881
Rent & rates	3,638	3,413	8,044	7,574
Depreciation on property, plant and equipment:				
- owned assets	107,402	90,303	287,812	270,357
- right of use assets	5,435	5,417	14,792	14,709
Amortization of intangible assets	286	1,918	3,578	5,753
Insurance	6,310	3,594	18,933	10,777
Safety items consumed	(43)	540	3,108	2,235
Miscellaneous	24,055	5,850	33,002	14,659
	1,161,231	1,103,297	3,432,947	2,926,126
Add: Opening work in process	37,130	22,492	33,513	16,748
Less: Closing work in process	(23,181)	(34,931)	(23,181)	(34,931)
	13,949	(12,439)	10,332	(18,183)
Cost of goods produced	1,175,180	1,090,858	3,443,279	2,907,943

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Add: Opening finished goods	76,366	83,129	122,970	25,263
Less: Closing finished goods	(52,271)	(40,594)	(52,271)	(40,594)
	24,095	42,535	70,699	(15,331)
Cost of goods sold - own manufactured	1,199,275	1,133,393	3,513,978	2,892,612
Cost of goods sold - purchase for resale	-	-	-	54,486
Cost of services	-	-	-	-
	1,199,275	1,133,393	3,513,978	2,947,098

	Un-audited		Un-audited	
	Three-month period ended		Nine-month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
14. Earnings per share(Rupees in thousand).....			
14.1 Basic earnings per share				
Profit for the period	140,081	293,086	406,029	1,300,899
Weighted average number of ordinary shares	175,031	175,031	175,031	175,031
Earnings per share	0.80	1.67	2.32	7.43

14.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2024 and March 31, 2023, which would have any effect on the earnings per share if the option to convert is exercised.

15. Transactions and balances with related parties

Relationship with the Company	Nature of transaction	Un-audited	
		Nine-month period ended	
		March 31, 2024	March 31, 2023
		(Rupees in thousand)	
i. Associated companies	Purchase of goods and services	20,421	32,748
	Sale of goods	82,783	59
	Share of common expenses charged to the company	56,120	33,473
	Share of common expenses charged by the company	4,274	4,266
	Payment of ordinary dividend	254,243	432,215
	Royalty charged to the company	21,672	25,913
ii. Directors	Meeting fee	1,549	1,375
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	7,753	6,641
iv. Key management personnel	Salaries and other employee benefits	72,866	64,679

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2024

	Un-audited	
	Nine-month period ended	
	March 31, 2024	March 31, 2023
16. Cash generated from operations	(Rupees in thousand)	
Profit before taxation	679,729	1,878,660
Adjustments for:		
- Depreciation on property, plant and equipment:		
- owned assets	287,812	272,306
- right of use assets	14,792	14,709
- Amortization of intangible assets	7,517	8,213
- Finance costs	20,680	19,854
- Interest on bank deposits	(22,330)	(22,779)
- Gain on sale of Fixed Assets	-	(60)
- Unrealised gain on investment	(542)	(1,550)
- Exchange (gain)/ loss	2,109	(5,121)
Cashflows before working capital changes	989,767	2,164,232
Effect on cash flow due to working capital changes		
- Decrease / (Increase) in stores and spares	(7,631)	75,350
- Decrease / (Increase) in stock-in-trade	(151,976)	(276,263)
- Decrease / (Increase) in trade debts	(54,861)	(19,008)
- Decrease / (increase) in advances, deposits, prepayments and other receivables	(27,235)	37,760
- (Decrease) / increase in trade and other payables	(75,143)	(179,049)
	(316,846)	(361,210)
Cash generated from operations	672,921	1,803,022
17. Cash and cash equivalents		
Bank balances	253,153	92,581
Finances under mark up arrangements - secured	-	(6,000)
	253,153	86,581
18. Fair value of financial instruments		

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at March 31, 2024 the Company held investment in money market fund carried at fair value based on level 1 input. Except for this short term investment, there were no Level 1, 2 or 3 assets or liabilities during current or prior period.

19. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2023.

There have been no significant changes in the risk management policies since the year end.

20. Subsequent event

There are no significant events after the statement of financial position date.

21. Date of authorization for issue

These condensed interim financial statements were authorized for issue on April 17, 2024 by the Board of Directors of the Company.

22. Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements have been made.



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