



Our reference: 1005-DCL-KSE-02-2016

ANNOUNCEMENT

February 22, 2016

FORM - 7

The Managing Director
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi -74000.

Tel: 021 111 001 122

Subject: Financial Results For The Half-Year Ended December 31, 2015

Dear Sir,

This is to inform you that the Board of Directors of Descon Chemicals Limited (the "Company") in their meeting held on Monday, February 22, 2016 at 11:30 a.m. at our Lahore office, 12-B, New Muslim Town, Lahore has recommended the following:

1. Cash Dividend : NIL
2. Bonus Shares : NIL
3. Right Shares : NIL

Un-audited accounts of the Company for the half year ended December 31, 2015 have been considered by the Board of Directors as recommended by the Audit Committee and approved the same. Financial results are attached (Annexure-1).

Change of Shareholding & Management

On December 31, 2015, the majority shareholding of the Company has been transferred to Nimir Management (Private) Limited, a subsidiary of Nimir Industrial Chemicals Limited. The board of directors of the Company appointed the current management of Nimir Industrial Chemicals Limited to run the affairs of the Company.

Nimir Industrial Chemicals Limited is a listed company on Pakistan Stock Exchange and a market leader in its category. It has shown remarkable performance in the last five years after its control was taken over by the current management. This dynamic management brings with it decades of multifaceted experience in the fields of engineering, finance, marketing, commercial and management.

Change in Balance Sheet

The new shareholders of the Company have injected considerable amount of funds in the Company, which were used to repay bank liabilities. As a result, the balance sheet of the company improved significantly, as may be witnessed from the summary below:



Page 1 of 3

Descon Chemicals Limited

Registered Office: 14.5 Km, Lahore-Sheikhupura Road, Lahore, Pakistan.
Ph: +92 42 37971512-14 Fax: +92 42 37970229
Website: www.nimir.com.pk

Lahore Office: 12-B, New Muslim Town, Lahore.
Ph: +92 42 35926090-93 Fax: +92 42 35926099



	As at Dec 31, 2015 Rs. '000'	As at Jun 30, 2015 Rs. '000'	Change Rs. '000'
Equity (including interest free sponsor's loans & surplus on revaluation)	662,003	272,530	389,474
Long Term Loans	-	89,666	(89,666)
Deferred Liabilities	25,577	30,211	(4,634)
Current Liabilities	567,812	896,603	(328,791)
	1,255,392	1,289,010	(33,618)
Non Current Assets	498,984	514,673	(15,689)
Current Assets	756,408	774,337	(17,299)
	1,255,392	1,289,010	(33,618)

Future Plans

The current management brings with it a diverse experience of various businesses, which they were previously running. They have extensive knowledge and experience of various areas of business activities in which the Company is currently operating as well as of new markets and products.

The Board of Directors in today's meeting approved various capital expenditures for the BMR (balancing, modernization and replacement) of existing plant, investments on new technologies and products, alternate energy, efficiency improvements and reducing operating costs.

With the above investments, the banks debts of the Company have already reduced. As a result there will be considerable savings in the financial cost of the Company in coming quarters. The management remains optimistic about the growth and profitability of the Company in future.

Change of Name of the Company

After getting new name reservation approval from the SECP on February 1, 2016, the board of directors of the Company reviewed and ratified the procedure for change of name of the Company and advised the management to take all necessary steps to complete all the legal and regulatory formalities in the regard.

We shall be sending you 200 copies of printed half-yearly accounts for distribution amongst the members of the Exchange in due course of time.

Thanking you.

Yours faithfully,

For **Descon Chemicals Limited**


Muhammad Inam-ur-Rahim
Company Secretary



End: Financial Results – December 31, 2015 (Annexure-1)

**Descon Chemicals Limited - Financial Results
for the half-year ended December 31, 2015 (Un-Audited)**

	Half Year Ended December 31,		Quarter Ended December 31,	
	2015	2014	2015	2014
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Sales - net	756,317	936,446	361,549	451,693
Cost of sales	(658,761)	(853,432)	(312,721)	(420,089)
Gross Profit	97,556	83,014	48,828	31,604
Operating expenses:				
- Distribution costs	(25,703)	(36,966)	(13,525)	(21,912)
- Administrative expenses	(21,041)	(24,810)	(9,438)	(14,819)
- Research and development expenses	-	(185)	-	(185)
	(46,744)	(61,961)	(22,963)	(36,916)
Operating Profit / (Loss)	50,812	21,053	25,865	(5,312)
Other operating charges	(5,156)	(10,581)	(3,768)	(1,727)
Finance cost	(29,035)	(56,528)	(14,216)	(29,666)
Other income	18,507	5,879	16,504	3,171
Share of net loss of associate	-	(11,073)	-	(4,359)
Profit / (Loss) before Taxation	35,128	(51,250)	24,385	(37,893)
Taxation	(4,044)	(2,488)	(83)	2,360
Net Profit / (Loss) for the Period	31,084	(53,738)	24,302	(35,533)
Earning / (Loss) per Share - Basic & diluted	0.16	(0.27)	0.12	(0.18)


Muhammad Inam-ur-Rahim
 Company Secretary

