

Data Textiles Limited

FORM-25

Date: 15/12/2017

UNDER SEALED COVER

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

Director (Enforcement)
Securities & Exchange Commission of Pakistan
NIC Building
Jinnah Avenue, Blue Area,
Islamabad.

Sub: Material Information

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 (formerly Section 15D of the Securities & Exchange Ordinance, 1969) and Clause 5.19.13(c) (Code of Corporate Governance) of the Rule Book of the Exchange, we hereby convey the following information:

In order to revive the company the management has decided to explore other avenues of business subject to all regulatory approvals. A summarized business plan is attached.

A disclosure form as required under S.R.O 143/(1)/2012 dated December 5, 2012 read with Sections 96 & 131 of the Securities Act, 2015 is also enclosed herewith.

You may inform the TREC holders of the Exchange accordingly

Yours sincerely,

For and on behalf of Data Textiles Limited



Mohammad Hasan Nawaz
CEO/Director



contact@datatextile.com
www.datatextile.com



00 92 42 35775532



Data Textile Ltd 19-J, CCA, Phase-V, DHA, Lahore

Data Textiles Limited

Date: 15/12/2017

Disclosure Form

In terms of Section 96 of the Securities Act 2015

Name of the Company	Data Textiles limited
Date of Report	December 15, 2017
Registered address	19-J, 4th Floor, CCA Phase 5, DHA Lahore
Contact Information	Syed Farman Ali Gillani Company Secretary Tel: 042-35775532 Contact@datatextile.com

Public disclosure of inside information, which directly concerns listed securities:

In order to revive the company the management has decided to explore other avenues of business subject to all regulatory approvals. A summarized business plan is attached.

Pursuant to the requirements of the Securities Act 2015, the company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto who is duly authorized.

For and on behalf of Data Textiles Limited

Mohammad Hasan Nawaz
CEO/ Director



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**Data
Textiles
Limited**

BUSINESS PLAN

Data Textiles Limited

Business Plan

Purpose of the financial plan is to communicate the intentions of the new management of Data Textiles Limited.

About the Organization

The Company is a public limited company and was incorporated in Pakistan on March 20, 1988 under the Ordinance with its principal activity as manufacturing and sale of yarn. Its shares are presently listed on the Pakistan Stock Exchange. The Company has authorized share capital of Rs. 120,000,000 divided into 12,000,000 ordinary shares of Rs.10.00 each and paid up capital of Rs. 99,096,160 divided into 9,909,616 ordinary shares of Rs.10.00 each.

Due to adverse conditions in the international textile market, as well as the global financial crisis the company suffered big losses and hence its equity was wiped out. To restrict future losses, the company sold its plant and machinery in 2008 and later in 2012 sold off the land and buildings as well to settle its liabilities. Since the plant and machinery was sold, the company's operations have been suspended since 2008.

Due to the above mentioned facts, the company faced hard times to the extent that and not even the single man remain employed to the Company, thus The Company could not full fill its statutory obligations of filing accounts and AGMs as they became due. However, the major sponsors of Data Textiles Limited now have appointed new management, which consists of highly qualified & experienced professionals who intend to move the company into a profitable direction. They are making full efforts to rectify all the short comings in regulatory compliances.

The following directors have been appointed to the board in the 2016 Annual General Meeting.

Directors Profiles

M. Hasan Nawaz – Chief Executive / Director

Mr. Hasan Nawaz brings with him a rich experience ranging from finance, banking and his passion relating to property investment & development. Essentially, serving as the team leader of the organization, his key role is to mobilize capital i.e. financial, intellectual, operational and human. His ability and consistent effort has led to success in the company's various projects. Mr. Hasan graduated from IBA, majoring in Finance and minoring in Marketing. After a short stint with an international bank, Mr. Hasan, with the backing of his family, ventured into the property development business, constructing commercial office buildings at high-end locations of DHA, Karachi.

Farria Nawaz – Chairperson

Mrs. Farria Nawaz is the founding member of Absolute Group. Her primary role has been the provision of seed capital and essentially setting up the Group. She has spent more than 25 years in Riyadh, Saudi Arabia, helping her husband in establishing his initial career. She further aided her husband in successfully setting up a trading concern dealing with medical and surgical supplies. Additionally, she was President of the Pakistani Women's Association "Hamnawa", during the late 90's.

Nadeem Ahmed – Director

After an initial career in civil service, Mr. Nadeem Ahmed joined his family business and laid to his credit, the finishing of over 100 bungalows in DHA Phase 5 & 6 from 2001 to 2004. He has led operations for house building and renovations for a number of sites in DHA, Karachi. He is also key personnel in liaison efforts with DHA and other departments, namely Clifton Cantonment Board, Military Estate Office, Director Office Military Lands and Cantonment Area Karachi.

Farhan Abbas Sheikh – Director

Farhan Abbas Sheikh is a professional banker and has been associated with national and international banking organizations during his career. He has had outstanding experience with leading banks such as Deutsche Bank, Singapore Bank (assigned in Pakistan), Habib Bank Ltd. and Barclay's Bank International, Dubai. He returned to Pakistan in 2011 and became a full-time entrepreneur through partnership in Gas & Oil Pakistan (Pvt.) Ltd. His educational background comprises of BCS, BSC Finance, MBA & LLB.

Danyaal A. Shah – Director

Danyaal A. Shah is a Senior Vice President at Barclays Investment Bank, based in London, UK. Mr. Shah has previously held significant positions within the Investment Banking Divisions at HSBC Bank in London and Standard Chartered Bank in Singapore. Over his time in banking, Mr. Shah has advised some of the largest Global Financial Institutions on M&A and Capital Financing transactions across Europe, Latin America, Asia, Middle East and Africa. Some of the most prominent of these transactions include the sale of HSBC Brazil to Banco Bradesco, the acquisition of Abbey Life UK by Phoenix Group Holdings and the sale of Prime Credit Hong Kong and Shenzhen. Mr. Shah holds an MBA from Imperial College London and is a CFA candidate.

Syed Basil Muqtadir, FRM - Director

S Basil Muqtadir is a finance professional and has been associated with Absolute Group for the past three years. He has been active in the capital markets in various capacities for the last ten years. S Basil is a Financial Risk Manager certified by the Global Association of Risk Professionals and a graduate from the London School of Economics.

Sheikh Salman Ul Haque – CFO & Director

Sheikh Salman ul Haque brings with himself extensive experience in the corporate sector with leading groups of the country like Engro Corporation, Hilal Foods and the House of Habib. He is a graduate of the University of Nottingham and completed his postgraduate studies from the National University of Singapore. The new management is part of the Absolute Group which consists of Absolute Commodities ((Pvt.) limited, Absolute Developments ((Pvt.) limited and Hasan Nawaz & Associates.

GROUP PORTFOLIO

ABSOLUTE DEVELOPMENT (PVT.) LTD

An emerging name in Property development and consultancy within Pakistan. Absolute Developments ((Pvt.) Ltd since its inception in 2009 has evolved greatly in the field of real estate for its clients within Pakistan and abroad. The company's focus on building niche and premium commercial properties has proven to be excellent value for investment in a growing economy and contributing to its skyline infrastructure.

HASAN NAWAZ & ASSOCIATES

Primary Business Activities include construction services, interior design & dealing in Building Materials for Construction Projects that group is directly or indirectly involved in. A one-window solution for all clients looking to serve their business with professionalism has led Hasan Nawaz & Associates to its astounding success.

ABSOLUTE COMMODITIES (PVT.) LTD

Absolute Commodities (Pvt.) Ltd is a corporate member of the Pakistan Mercantile Exchange and is one of Pakistan's leading commodity brokerage firms. Pakistan Mercantile Exchange (PMEX) formed in 2002 and formally became operational in May 2007. Absolute Commodities (Pvt.) Ltd is one of the pioneers and only technology driven, demutualized, on-line commodity futures exchange broker in Pakistan. The company deals in trading of Gold, Silver, Oil & Consumer Commodities like Red Chili, Cotton to name a few.

The new management took over on July 31, 2017 and has taken the following steps to resolve the situation.

Steps taken to resolve non-compliances

- New directors were appointed on July 6th, 2017 to fill the vacant seats on the board
- Board meetings to discuss the annual accounts of the years ending 2014, 2015 & 2016 were announced and the meetings were held punctually
- Permission to hold the delayed Annual General Meetings for the years ending 2014, 2015 & 2016 was requested from the Securities and Exchange Commission of Pakistan & Pakistan Stock Exchange, and was duly granted
- Notices for the Annual General Meetings for the years ending 2014, 2015 & 2016 were sent to all the shareholders and ads were published in English and Urdu Daily Newspapers as required by law
- Meetings were held punctually and a new board was elected in the Annual General Meeting for the year ending 2016 & auditor appointments were approved
- Minutes of the meetings were submitted to the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange
- Notices for the board meeting to discuss quarterly accounts for the periods for which accounts were not submitted
- 30 Sep 2014 (First Quarter for year 2014-2015)
- 31 March 2015 (Third Quarter for year 2014-2015)
- 30 Sep 2015 (First Quarter for year 2015-2016)
- 31 March 2016 (Third Quarter for year 2015-2016)
- 30 Sep 2016 (First Quarter for year 2016-2017)
- 31 March 2017 (Third Quarter for year 2016-2017)
- Semi-Annual (Reviewed):
- 31 December 2014 (Year ending 2014-2015)
- 31 December 2015 (Year ending 2015-2016)
- 31 December 2016 (Year ending 2016-2017)

The results were posted on the exchange after approval of the board and simultaneously posted on the the website.

The new management of the company intends to change the main business activity of the company from yarn spinning to construction services. To do the same the management needs to inject fresh capital. The potential new sponsors of this effort, Mr Hasan Nawaz and Ms Farria Nawaz have announced a Public Announcement of intention to acquire the majority shares of Data Textiles Limited from the existing sponsors of the business. The Public Announcement of Intention was submitted to the commission; the exchange as well as being published in two newspapers as required by the law.

As 2017 accounts were due, the management announced the board meeting for the annual accounts for the year ending 2017, held the board meeting and announced the results to the exchange.

Furthermore, the board meeting for the first quarter 2018 accounts has also been held after making the statutory announcements.

- The company has also been enrolled into the Pakistan Unified Corporate Announcement Reporting System of the Pakistan stock exchange
- A website has been created and effort has been made make it compliant with the SECP SRO (634(1)2014) and updated sharing the information required by law –
- The company is in negotiations with the Pakistan Stock exchange to restart the trading in its shares.
- The Pakistan Stock Exchange as of November 2, 2017 has acknowledged the submission of Annual accounts and holding
- Annual General Meetings of the company and thus removed 5.11.1 (b) (Failure to Hold Annual General Meetings) as a reason for suspension

Future Outlook

The Company's operations have been fully dependent on textile spinning since inception in Pakistan. Financial Year 2016-17 witnessed volatile markets as economies around the world, found themselves at various points in the economic cycle, with monetary easing being the predominant theme across many geographies. However, growth remained subdued globally, as adverse factors more than offset oil price decline, the quantitative easing in Europe and the growth in South-East Asia. According to resolutions of the 2010 AGM, the management has disposed of assets and used the amount to pay as many liabilities as possible. According to the AGM resolution, we have also avoided getting into any costly and lengthy litigation by making payments to the creditors.

Subsequent to the close of the financial year, the sponsors of our company amidst this situation decided to appoint new management to explore new business avenues away from Textile industry as the local and global market conditions have made it less competitive to operate. As a result, two directors that have been appointed have expressed a Public Announcement of Intention to take over the majority shares from existing shareholders and explore other profitable business ventures to make the company profitable and give it a footprint for its minority shareholders again.

Specific interests for rehabilitation of business lie in the areas of Construction Services, Interior Design and Building Material, as a growing trend towards Construction is evident in the region due to activities related to the China Pakistan Economic Corridor. The signing of the China-Pakistan Economic Corridor (CPEC) agreement and improvement in the country's security situation have been the key to giving boost to not only the construction industry, but Pakistan's image abroad. With China having the first-mover advantage in injecting foreign investment into the country, other countries have followed suit. The sector has also been an important recipient of foreign direct investment (FDI). This can be judged from the latest figures provided by the State Bank of Pakistan, which show that the construction industry received a net inflow of \$35.7 million in August 2017.

It has been estimated that output of the sector has a significant share of 40-60% in gross fixed capital formation. Moreover, studies have suggested that more than 60 other associated industries form linkages with the construction and housing industry. This makes the sector pivotal to economic development, as it is crucial for providing shelter, employment and infrastructure. The construction industry is playing an important role in economic growth of Pakistan. Recent (provisional) estimates published in the Economic Survey of Pakistan show that the industry grew 9.1% in FY17 and contributed 2.7% to the country's gross domestic product (GDP). BMI Research has also provided a healthy growth outlook for the sector, putting it at 11.8% annually from 2016-20 and 9.1% over 2016-25.

How attractive the industry is perceived to be for foreign investors can be gauged from the fact that in the current fiscal year from July-August FY18 the industry has received \$55.7 million relative to \$1.6 million in the same period of last year. Locally, investment has also been boosted by government policies such as reduction in duties and taxes on building materials like steel, construction machinery and equipment and digitalization of land ownership records. The new management intends to take advantage of these developments in the construction services sector and work with both local and international investors to create value for its shareholders. The new board of directors are projecting the following financials for the company going into the new business.

Data Textiles Limited
Forecasted Income Statement
For the Years 2018-2023

	FY 18 (Jan - Jul) (F)	FY 19 (F)	FY 20 (F)	FY 21 (F)	FY 22 (F)
	Amount In Rupees				
Revenue / Receipts	346,483,325	574,160,000	726,835,200	946,430,400	1,003,216,224
Cost of Revenue / Receipts	(277,186,660)	(459,328,000)	(581,468,160)	(757,144,320)	(802,572,979)
Gross profit	69,296,665	114,832,000	145,367,040	189,286,080	200,643,245
Salaries, Wages & Allowances	6,095,169	13,504,686	20,955,154	25,450,670	30,995,737
Telephone & Electricity	1,484,263	2,863,215	3,087,005	3,352,834	3,665,444
Advertisement & Promotion	953,899	992,055	1,031,737	1,073,007	1,115,927
Printing & Stationary	1,333,060	1,957,693	2,328,001	2,450,774	2,537,821
Depreciation	777,565	777,565	777,565	777,565	777,565
Travelling and Conveyance	1,001,234	1,665,283	1,731,895	1,801,170	1,873,217
Rent, Rates and Taxes	689,794	1,085,261	1,565,091	1,778,175	1,960,260
Entertainment	693,072	1,048,479	1,453,891	2,088,303	2,683,601
Miscellaneous	1,122,984	1,698,850	2,355,739	2,573,526	2,727,938
	14,151,040	25,593,087	35,286,078	41,346,024	48,337,510
Profit Before Tax	55,145,625	89,238,913	110,080,962	147,940,056	152,305,735
Other Income	-	-	-	-	120,000,000
Financial Charges	(12,087,500)	(24,175,000)	(24,175,000)	(24,175,000)	(24,175,000)
Taxation	(27,718,666)	(45,932,800)	(58,146,816)	(75,714,432)	(80,257,298)
Profit After Tax	15,339,459	19,131,113	27,759,146	48,050,624	167,873,437

Assumptions	
Equity Issue of	PKR 100,000,000
Debt Raised	PKR 250,000,000
Financing Rate	6m Kibor + 3.5
6m Kibor	6.17%
Taxation	8% of revenue
*fy18 financials are for Half year only	

