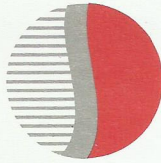


July 20, 2016



## DOST STEELS LIMITED

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

Subject: **Material Information**

Dear Sir,

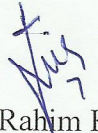
In accordance with Section 15D of the Securities & Exchange Ordinance, 1969 and Clause 5.19.13(c) (Code of Corporate Governance) of the Rule Book of the Exchange, we hereby convey the following information.

That the management previously targeted the rights issue to be completed by June 30, 2016. However, due to the delay in signing of restructuring agreement, the right issue process was delayed. Therefore, in light of the delay in completion of rights issue, the projections have been revised.

The revised projections, approved by the Board of Directors is also enclosed.

You may please inform the members of the exchange.

Yours Sincerely,  
Dost Steels Limited.

  
Zia ur Rahim Khan  
Company Secretary



# 1 Financial Projections

## 1.1 Projected Balance Sheet

PKR million	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property Plant & Equipment	2,425.79	2,434.53	2,132.46	1,879.18	1,669.49	1,492.59
Long term deposits	16.42	16.42	16.42	16.42	16.42	16.42
<b>Current Assets</b>						
Stores and spares	-	22.00	22.20	22.45	22.75	23.05
Inventory	-	330.19	475.13	587.71	664.01	731.20
Trade debtors	-	191.82	270.23	332.57	375.07	412.28
Cash & Bank Balances	3.48	309.78	690.06	978.54	1,341.99	1,593.40
	3.48	853.79	1,457.62	1,921.27	2,403.83	2,759.93
<b>Total Assets</b>	<b>2,445.69</b>	<b>3,304.73</b>	<b>3,606.49</b>	<b>3,816.86</b>	<b>4,089.73</b>	<b>4,268.94</b>
<b>EQUITY</b>						
Ordinary Share capital	674.65	3,157.34	3,157.34	3,157.34	3,157.34	3,157.34
Reserves	-	(1,365.48)	(1,365.48)	(1,365.48)	(1,365.48)	(1,365.48)
Un-appropriated Profit	(467.50)	(254.53)	(62.88)	86.10	342.02	534.68
<b>Total Equity</b>	<b>207.15</b>	<b>1,537.32</b>	<b>1,728.98</b>	<b>1,877.95</b>	<b>2,133.88</b>	<b>2,326.54</b>
Advance against Right Issue	686.60	-	-	-	-	-
<b>LIABILITIES</b>						
<b>Non-Current Liabilities</b>						
Term Loan Syndicate	833.52	819.55	786.96	740.39	670.54	577.41
Directors' Loan	92.37	-	-	-	-	-
Provision for Gratuity	0.63	0.63	0.63	0.63	0.63	0.63
	926.52	820.18	787.59	741.02	671.17	578.04
<b>Current Liabilities</b>						
Current Portion of LT Debt	51.22	13.97	32.60	46.57	69.85	93.13
Trade creditors	27.96	318.32	442.39	536.38	599.89	656.29
Zero Coupon TFC	-	614.94	614.94	614.94	614.94	614.94
Accrued markup	546.24	-	-	-	-	-
	625.42	947.23	1,089.93	1,197.89	1,284.68	1,364.36
<b>Total Equity &amp; Liabilities</b>	<b>2,445.69</b>	<b>3,304.73</b>	<b>3,606.49</b>	<b>3,816.86</b>	<b>4,089.73</b>	<b>4,268.94</b>











for DOST STEELS LIMITED  
 Company Secretary

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## 1.2 Projected Profit & Loss Statement

PKR million	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Gross Sales	-	4,028.42	12,581.09	15,483.30	17,461.98	19,194.15
Net Sales	-	3,947.85	12,329.47	15,173.64	17,112.74	18,810.27
COGS	1.44	3,881.94	11,707.45	14,308.55	16,075.23	17,621.34
Gross Profit	(1.44)	65.91	622.02	865.09	1,037.51	1,188.93
Admin Expenses	-	88.06	128.53	135.79	140.73	145.07
EBIT	(0.46)	(21.16)	494.47	730.29	897.76	1,044.85
Interest Cost	0.00	55.75	54.08	52.87	50.17	46.95
PBT	(0.46)	(76.91)	440.39	677.42	847.59	997.90
Taxation	0.00	299.47	248.74	212.71	275.93	331.65
Profit after Tax	(0.46)	(376.38)	191.65	464.71	571.66	666.26
EPS	(0.01)	(5.58)	0.61	1.47	1.81	2.11



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*Lamin*

*Bulbi*

*M. A. Balch*

*Qadir*

*Layal*

*Muhammad*  
for DOST STEELS LIMITED

Company Secretary

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### 1.3 Projected Cash flow Statement

PKR million	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
<b>Cash Flows from Operating Activities</b>						
Profit before tax	(0.46)	(76.91)	440.39	677.42	847.59	997.90
Adjustments for non-cash charges:						
Depreciation	1.26	202.70	252.09	220.60	194.96	173.55
Financial charges	-	55.75	54.08	52.87	50.17	46.95
Change in current assets						
Stores & spares	-	(22.00)	(0.20)	(0.25)	(0.30)	(0.30)
Inventory	-	(330.19)	(144.93)	(112.58)	(76.30)	(67.19)
Trade debtors	-	(191.82)	(78.42)	(62.34)	(42.50)	(37.21)
Change in current liabilities						
Trade Creditors	-	290.36	124.08	93.99	63.51	56.40
Accrued Markup	-	(546.24)	-	-	-	-
Taxes paid	-	(299.47)	(248.74)	(212.71)	(275.93)	(331.65)
<b>Net cash from operating activities</b>	<b>6.09</b>	<b>(917.82)</b>	<b>480.33</b>	<b>726.68</b>	<b>820.42</b>	<b>888.80</b>
<b>Cash Flows from Investing Activities</b>						
Fixed capital expenditure	(398.49)	377.90	(32.00)	(37.00)	(44.50)	(47.00)
<b>Net cash from investing activities</b>	<b>(398.49)</b>	<b>377.90</b>	<b>(32.00)</b>	<b>(37.00)</b>	<b>(44.50)</b>	<b>(47.00)</b>
<b>Cash Flows from Financing Activities</b>						
Ordinary Share capital	-	1,117.21	-	-	-	-
Advance against right issue	686.60	(686.60)	-	-	-	-
Term Loan Syndicate	(46.57)	(51.22)	(13.97)	(32.60)	(46.57)	(69.85)
Zero Coupon TFC	-	614.94	-	-	-	-
Director's Loan	(244.82)	(92.37)	-	-	-	-
Ordinary Dividend Paid	-	-	-	(315.73)	(315.73)	(473.60)
Financial Charges Paid	-	(55.75)	(54.08)	(52.87)	(50.17)	(46.95)
	<b>395.21</b>	<b>846.21</b>	<b>(68.05)</b>	<b>(401.20)</b>	<b>(412.47)</b>	<b>(590.39)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>2.81</b>	<b>306.30</b>	<b>380.28</b>	<b>288.48</b>	<b>363.45</b>	<b>251.41</b>
Opening Balance	0.67	3.48	309.78	690.06	978.54	1341.99
<b>Cash at year end</b>	<b>3.48</b>	<b>309.78</b>	<b>690.06</b>	<b>978.54</b>	<b>1,341.99</b>	<b>1,593.40</b>



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**DOST STEELS LIMITED**  
**KARACHI**  
 Company Secretary.

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