



## DOST STEELS LIMITED

May 24, 2016

Mr. Hafiz Masood Munshi (Manager),  
Companies & Securities Compliance – RAD,  
Pakistan Stock Exchange Limited,  
Stock Exchange Building, Stock Exchange Road,  
Karachi.

Subject: **Material Information**

Dear Sir,

Pursuant to the above mentioned subject and our today's meeting, please find the following desire documents.

- Announcement
- Statement of purpose, use of fund and financial projections
- Approved and signed Board resolution for right shares

Kindly acknowledge the same.

Yours truly,  
Dost Steels Limited

Zia ur Rahim Khan  
Company Secretary

May 17, 2016



## DOST STEELS LIMITED

The General Manager,  
Companies & Securities Compliance – RAD,  
Pakistan Stock Exchange Limited,  
Stock Exchange Building, Stock Exchange Road,  
Karachi.

Dear Sir,

Subject: *Announcement of Right issue and Zero Coupon Convertible Term Finance Certificate*

We have to inform you that the Board of Directors of our Company in their meeting held on Friday May 13, 2016 at 4:30 p.m. at the registered office of the Company situated at 101, Chapal Plaza, Hasrat Mohani Road, Karachi has approved the following business of the Company.

### **RIGHT SHARES:**

The Board of Directors has recommended to issue 368% Right Shares at Rs. 4.50 per share (i.e. at a discount of Rs. 5.50 per share) in proportion of 368 (three hundred and sixty eight) of every 100 (hundred) shares.

### **Zero Coupon Convertible Term Finance Certificate:**

The Board of Directors has recommended to issue Zero Coupon Convertible Term Finance Certificates in accordance with the Restructuring Agreement.

In this respect, we are enclosing herewith following documents as required for the purpose of right issue.

- The Statement regarding purpose of right issue, benefit to the Company, use of funds and financial projections for three years duly signed by the directors who were present in the meeting.
- Board of Directors' resolution for the issue of Right Shares.

Thanking you.  
Yours truly  
Dost Steels Limited

  
Zia ur Rahim Khan  
Company Secretary

## Statement of Purpose, Use of Funds and Financial Projections

Purpose of Right Issue: The Company requires capital injection for completion and hot commissioning of the plant under a restructuring and rehabilitation plan approved by the board of directors and the syndicate lenders of the Company. Once the commercial operations start, DSL would be the only re-bar and re-rolling mill in north region to have a state of the art plant capable of manufacturing international standard seismic compliant re-bars.

Benefits to the Company: The capital injection would provide the necessary funds for completion of the plant, achieve hot commissioning and start commercial operations. The capital issue is also a Condition Precedent set by the syndicate lenders under the restructuring agreement as the lenders for the total principle outstanding.

Use of Funds: To meet the capital expenditure requirements for commissioning of plant and partial repayment of instalment for first year of the syndicated term loan.

Financial Projection:	Rupees in Millions			
	Particulars	30-Jun-16	30-Jun-17	30-Jun-18
Net Sales	-	12,724.70	16,171.02	16,815.80
Profit After Tax	(260.59)	(3.41)	365.90	514.95
EPS	(0.83)	(0.01)	1.13	1.63
Paid-up Share Capital	3,157.34	3,157.34	3,157.34	3,157.34

The above financial projections have been approved by the Board of directors and signed by the following members.

1. Jamal Iftakhar
2. Zahid Iftakhar
3. Faisal Zahid
4. Bilal Jamal
5. Saad Zahid



# DOST STEEL LIMITED

Minutes of the Board of Directors Meeting Held on 13<sup>th</sup> May 2016 at 04:00 pm at the Registered Office of the Company i.e. at, 101 Chappel Plaza, Hasrat Mohani Road, Karachi

RESOLVED THAT, The Board of Directors resolution passed on 28<sup>th</sup> January 2016 regarding issuance of 248,269,360 shares at Rs 4.50 per share (i.e. at a discount of Rs 5.50 per share) be modified and amended as follows:

RESOLVED THAT, On the successful acceptance and signing of the Restructuring Agreements by majority of the lenders of the Company i.e., both syndicate lenders and morabaha financiers, in accordance with the Rehabilitation and Restructuring proposals submitted to them and subject to the all legal and regulatory approvals including but not limiting to that of the shareholders, Securities and Exchange Commission of Pakistan, issue **248,269,360** shares at Rs 4.50/- per share (i.e., at a discount of Rs 5.50/- per share) by way of a rights issue under section 86 of the Companies Ordinance, 1984 **be and is hereby approved**

RESOLVED THAT, **SUBJECT TO** the successful acceptance and signing of the Restructuring Agreements by majority of the lenders of the company i.e. both syndicate lenders and morabaha financiers, in accordance with the Rehabilitation and Restructuring proposals submitted to them and subject to the all legal and regulatory approvals including but not limiting to that of the shareholders, Securities and Exchange Commission of Pakistan, issue zero coupon Convertible Term Finance Certificates in accordance with the Restructuring Agreement.

RESOLVED FURTHER THAT the Chief Executive singly or any two Directors of the Company jointly be and are hereby authorized to complete all the necessary corporate and legal formalities in respect of the above including but not limited to calling of a meeting of the shareholders for the purposes of passing a special resolution for implementing the above in accordance with the requirements of the proviso provided under s. 86(1) of the Companies Ordinance, 1984, filing of application(s) with SECP, making necessary alterations and amendments in the application or any other matter in respect of the above. The Chief Executive is also authorized to delegate the authority granted hereby to any other person who he may deem fit.”

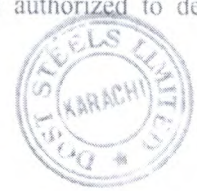












for DOST STEELS LIMITED  
Company Secretary

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The Directors has modified the above mentioned resolution in the larger interest of the shareholders and the company to ensure that the restructuring and rehabilitation plan can smoothly be implemented and to avoid any delays etc. due to the procedural delay in the signing of the Restructuring Agreement by two lenders of the Company.

The Resolution has been recorded in the Minutes Book of the Company.

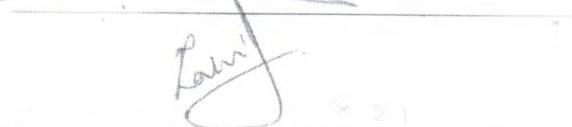
Date: May 13th, 2016

Directors voting and passing the resolution are:

Mr. Jamal Ifakhar



Mr. Zahid Ifakhar



Mr. Saad Zahid



Mr. Bilal Ifakhar



Mr. Mustafa Ifakhar



Mr. Faisal Zahid



Mr. Atzal Shehzad



DOST STEELS LIMITED

Company Secretary

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