DOST STEELS LIMITED

May 18, 2016

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

Re: Financial Projections u/s. 5 (ii) The Companies (Issue of Capital) Rules 1996.

Dear Sir,

Perusal to our Material Information letter dated 17th May 2016. Pleased find herewith the three years financial projections of the company signed and approved by the Board of Directors in their last meeting held on May 13, 2016. For information regarding the purpose of right issue, benefit of the company and use of fund, you may refer to the para "Explanatory Statement Accompanying Notice to the Members u/s. 160(1) (b) of the Ordinance" in the notice of Extraordinary General Meeting, dispatched you earlier.

With best regards,

Zia ur Rahim Khan
Company Secretary

Encl: Approved Projections

Registered Office: 101, Chapal Plaza, Hasrat Mohani Road, Karachi-74000 Phone: (92-21) 32412200, 32419820 Fax: (92-21) 32412211
Plant Address: 52 Km, Lahore Multan Road, Phool Nagar, Distt Kasur, Punjab.

million	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Balance Sheet						
ASSETS						
Non Current Assets						
Propoerty Plant & Equipment	2,396.77	2,117.49	1,861.09	1,646.90	1,470.68	1,322.43
Long term deposits	21.67	21.67	21.67	21.67	21.67	21.67
Deffered Tax Assets	-	-	-	-	-	-
Current Assets						
Stores and spares	19.84	19.99	20.19	20.44	20.74	21.04
Inventory	261.25	674.29	650.98	677.79	704.56	731.30
Trade debtors	-	367.15	354.43	368.57	383.31	398.05
Cash & Bank Balances	519.14	766.59	1,219.72	1,573.35	1,919.80	2,099.60
	800.24	**1,828.03**	**2,245.32**	**2,640.15**	**3,028.41**	**3,249.98**
Total Assets	**3,218.68**	**3,967.20**	**4,128.09**	**4,308.73**	**4,520.77**	**4,594.08**
EQUITY & LIABILITIES						
Equity						
Ordinary Share capital	3,157.34	3,157.34	3,157.34	3,157.34	3,157.34	3,157.34
Preference Share Capital	-	-	-	-	-	-
Reserves	(1,365.48)	(1,365.48)	(1,365.48)	(1,365.48)	(1,365.48)	(1,365.48)
Unappropriated Profit	(334.77)	(3.41)	195.62	394.84	644.32	784.98
Total Equity	**1,457.08**	**1,788.45**	**1,987.48**	**2,186.70**	**2,436.17**	**2,576.84**
Liabilities						
Non-Current Liabilities						
Term Loan Syndicate	833.52	819.55	786.96	740.39	670.54	577.41
New Term Loan	-	-	-	-	-	-
Conversion of Director's Loan - Summit Bank	237.02	233.05	223.78	210.54	190.67	164.19
Provision for Garatuity	4.55	4.55	4.55	4.55	4.55	4.55
	1,075.09	**1,057.15**	**1,015.28**	**955.48**	**865.77**	**746.15**
Current Liabilities						
Current Portion of LT Debt	79.03	17.94	41.86	59.81	89.71	119.61
Short term borrowing	-	-	-	-	-	-
Trade creditors	61.25	557.43	537.23	560.51	582.88	605.24
Accrued markup	546.24	546.24	546.24	546.24	546.24	546.24
	686.51	**1,121.60**	**1,125.33**	**1,166.56**	**1,218.82**	**1,271.09**
Total Equity & Liabilities	**3,218.68**	**3,967.20**	**4,128.09**	**4,308.73**	**4,520.77**	**4,594.08**

DOST STEELS LIMITED KARACHI

..llion	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Profit & Loss Account						
Gross Sales	-	12,984.39	16,501.05	17,158.98	17,845.23	18,531.48
Net Sales	-	12,724.70	16,171.02	16,815.80	17,488.33	18,160.85
COGS	227.47	12,105.02	15,264.91	15,829.38	16,423.30	17,020.62
Gross Profit	**(227.47)**	**619.68**	**906.11**	**986.42**	**1,065.03**	**1,140.24**
Admin & Selling Expenses	34.42	129.54	138.33	139.98	141.69	143.41
EBIT	(260.59)	491.44	769.08	847.74	924.64	998.13
Interest Cost	-	68.41	76.80	75.27	71.88	67.39
PBT	(260.59)	423.03	692.28	772.47	852.76	930.74
Taxation	-	426.44	335.38	257.52	287.55	316.48
Profit after Tax	**(260.59)**	**(3.41)**	**356.90**	**514.95**	**565.21**	**614.26**
EPS	(0.83)	(0.01)	1.13	1.63	1.79	1.95

DOST STEELS LIMITED KARACHI

million	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Cash flow Statement						
Cash Flows from Operating Activities						
Profit before tax	(260.59)	423.03	692.28	772.47	852.76	930.74
Adjustments for non-cash charges:						
Depreciation	29.46	306.28	245.23	214.48	189.53	168.73
Financial charges	-	68.41	76.80	75.27	71.88	67.39
Change in current assets						
Stores & spares	(19.84)	(0.15)	(0.20)	(0.25)	(0.30)	(0.30)
Inventory	(261.25)	(413.04)	23.31	(26.81)	(26.77)	(26.74)
Trade debtors	19.38	(367.15)	12.72	(14.13)	(14.74)	(14.74)
Change in current liabilities						
Trade Creditors	20.19	496.18	(20.20)	23.29	22.37	22.37
Accrued Markup	-	-	-	-	-	-
Taxes paid	-	(426.44)	(335.38)	(257.52)	(287.55)	(316.48)
Net cash from operating activities	**(471.38)**	**87.11**	**737.74**	**823.50**	**838.37**	**857.49**
Cash Flows from Investing Activities						
Fixed capital expenditure	(400.62)	307.77	(32.00)	(37.00)	(44.50)	(47.00)
Long term security deposits	-	-	-	-	-	-
Net cash from investing activities	**(400.62)**	**307.77**	**(32.00)**	**(37.00)**	**(44.50)**	**(47.00)**
Cash Flows from Financing Activities						
Ordinary Share capital	1,117.21	-	-	-	-	-
Preference Share Capital	-	-	-	-	-	-
Term Loan Syndicate	(46.57)	(51.22)	(13.97)	(32.60)	(46.57)	(69.85)
New Term Loan	-	-	-	-	-	-
Summit Bank Term Loan	264.82	(27.81)	(3.97)	(9.27)	(13.24)	(19.86)
Director's Loan	(337.19)	-	-	-	-	-
Ordinary Dividend Paid	-	-	(157.87)	(315.73)	(315.73)	(473.60)
Prefered Dividend paid	-	-	-	-	-	-
Increase/(Decrease) in Short term borrowing	-	-	-	-	-	-
Financial Charges Paid	-	(68.41)	(76.80)	(75.27)	(71.88)	(67.39)
	998.28	**(147.44)**	**(252.61)**	**(432.87)**	**(447.42)**	**(630.70)**
Net Increase/(Decrease) in Cash	**126.29**	**247.45**	**453.12**	**353.63**	**346.45**	**179.79**
Opening Balance	-	126.29	373.74	826.86	1,180.49	1,526.95
Cash at year end	**126.29**	**373.74**	**826.86**	**1,180.49**	**1,526.95**	**1,706.74**

DOST STEELS LIMITED
KARACHI