

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

14 Nov 2022

Disclosure of Material Information- Dost Steels Ltd ('DSL' or the 'Company')

Dear Sir,

Under Section 96 and 131 of the Securities Act, 2015 (the "Act") and Clause 5.6.1(a) of the Rule Book of the Pakistan Stock Exchange ("PSX"), we hereby inform you as under:

- 1) Status update on issue of 29% shares through other than rights approval application to SECP:
 - a. The SECP has advised the company to resolve all the issues including pending litigations by and with CSIL before requesting for approval of company's application for 29% further issue of shares through other than rights mechanism to the new investor.
 - b. Earlier the company sought approval of the shareholders in its EOGM held on 10 Feb 2022 for an investment of PKR 524 million by an investors group for issue of up to 29% fresh shares into the company through otherwise than rights mechanism subject to special approval from SECP. The company made an application to SECP on 15 April 2022 and completed all the formalities with respect to approval. However, certain complaints were filed by CSIL requesting SECP to not approve the company's above-mentioned application till various issues and litigation between CSIL and company are settled.
 - c. The company and its sponsors together with prospective investors group have made efforts to reach a reasonable resolution of pending issues and litigation with CSIL but have not been able to reach an amicable solution to date. The chances of such a resolution of disputes appear to be bleak although efforts for the same are continuing. The investors may not wait for long and have indicated to withdraw their investment proposal to the company jeopardizing the efforts for reviving the company's operations.
- 2) Disconnection of 132KV LESCO grid connection due to financial problems:
 - a. The company has applied to LESCO for disconnection of its B-4 132 KV Electricity connection due to financial constraints faced by the company.

- b. The company had obtained a bridge loan of PKR 40 million from the group of investors mentioned in point 1 above to pay for essential expenses and monthly electricity connection bill which has been fully utilized. The prospective investors have declined to further finance the ongoing costs of the company due to non-approval of their investment proposition by SECP based of complaints by CSIL. The sponsors of the company have already exhausted their means to further finance the losses of the company and it is not practical to fund the monthly electricity bill of around PKR 4.3 million.
- 3) Clarification with respect to alleged claim by CSIL about an investment proposition by newly elected director of the company Mr. Mian Abuzar Shad.
- a. CSIL in its letter to the company/PSX/SECP/CRO have made a false statement associated to Mr. Mian Abuzar Shad that the company is receiving an investment of PKR 5 billion.
- b. There is no such proposition of investment currently under discussion by the company except for the investment by a group of investors for which shareholders' approval has been obtained in EOGM on 10 Feb 2022 and company's application to SECP for approval is pending as mentioned in point 1 above.

Regards,

For Dost Steels Ltd.



Shahid Ali,
Company Secretary

- CC: 1) SECP SMD Division Islamabad.
2) SECP- CRO Office Lahore.
3) Mr. Naim Anwar, Crescent Star Insurance Limited Karachi.