



10 November 2023

The Company Secretary
Dost Steels Limited
4th Floor, Ibraim Trade Center,
1-Aibak Block Barkat Market,
New Garden Town,
Lahore, Pakistan.

Dear Sir


Certificate of Statutory Auditor on Allotment of Shares Otherwise Than Rights and Allotment Thereof in the name of Central Depository Company of Pakistan (CDC)

We refer to your email dated 24 October, 2023, wherein you have requested us, in our capacity as the statutory auditor of Dost Steels Limited (the Company), to issue a certificate to the effect that the consideration against the number of shares to be issued otherwise than right shares has been received in full and all the requirements with respect to allotment of shares in the name of Central Depository Company of Pakistan Limited (CDC) have been fulfilled by the Company, pursuant to the approval of the Securities and Exchange Commission of Pakistan (SECP) dated 29 August 2023 in response to the Company's application dated 15 April 2022 and further correspondence resting with the update received by SECP vide letter dated 26 July 2023. This certificate is to be submitted to the CDC in accordance with the "Procedure for Input of Paid-Up Capital/ Total Issue in CDS" developed by CDC.

Management Responsibilities

It is the management's responsibility for completing all the legal procedures and formalities in relation to the issue of further shares otherwise than right shares as laid down in the "Procedure for Input of Paid-Up Capital / Total Issue in CDS" developed by CDC and other applicable laws in this regard. This in particular requires:

- Obtaining the approval of the shareholders via special resolution
- Obtaining the approval of the SECP
- Issue to CDC, Letter for Authorization to Upload Data; and
- Issue to CDC, Allotment Confirmation Letter

In addition to the above, the management is also responsible for ensuring compliance with conditions imposed by SECP vide its approval letter dated 29 August 2023 and the relevant provisions of the Companies Act, 2017. 

Auditor's Responsibilities

In accordance with the "Guidelines for Issue of Certificate for Special Purposes by the Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan and Annexure B to the "Procedure for Input of Paid-Up Capital / Total Issue in CDS" developed by CDC, we are responsible to certify:

1. Whether the consideration against further shares to be issued otherwise than right shares has been received by the Company;
2. Whether all the requirements with respect to allotment of shares in the name of the CDC have been fulfilled by the Company; and
3. Whether conditions imposed by the regulatory body have been fulfilled by the Company in every respect.

Hence in this connection, we carried out certain verification procedures which are as follows:

- Inspected the certified true copy of the resolution dated 18 January 2022 passed by the Board of Directors of the Company wherein they had resolved to issue "128,961,717" ordinary shares of the Company as shares otherwise than right issue at discounted price of Rs. 4.07 per ordinary share.
- Inspected certified true copy of Form 26 filed with SECP for the approval granted by the shareholders in an extraordinary general meeting (EOGM) vide special resolution dated 10 February 2022
- Reviewed authenticated copy of the approval granted by SECP dated 29 August 2023
- Verified the receipt of Rs. 170,604,121.19 as cash consideration in the bank account of the Company against the issue of share otherwise than right issue.
- Inspected the certified true copy of the agreement reached between 15 stakeholders under which Crescent Star Insurance Limited and its assignees agreed to assign their share deposit money amounting to Rs. 354,270,067, deposited with the Company, to the group of investors led by Mr. Kahwaja Shahzeb Akram.

Certificate

Based on our verification as referred above, we hereby certify that:


- The shares are to be issued to the subscribing persons, as mentioned hereunder, against outstanding balance of share deposit money of Rs. 354,270,067 and cash consideration of Rs. 170,604,121.19 received in the Company's bank account, at discounted price of Rs. 4.07 per ordinary share of the Company, as approved by the SECP.

Name of the subscribing persons	Share Issue Against Share Deposit Money	Share Issue Against Cash Consideration	Total Issue otherwise than right shares
Mr. Khawaja Shahzeb Akram	13,499,877	6,501,070	20,000,947
Ms. Qurat-ul-Ain Shahzeb	20,237,667	9,745,755	29,983,422
Haji Ghulam Ali	4,141,908	1,994,598	6,136,506
Mr. Fayyaz Ali	4,141,908	1,994,598	6,136,506
Mr. Zahir Khan	18,009,153	8,672,581	26,681,734
Mr. Mohabat Khan	27,013,730	13,008,872	40,022,602
TOTAL	87,044,243	41,917,474	128,961,717



- All the requirements with respect to allotment of shares otherwise than right shares in the name of CDC have been fulfilled by the Company.
- Once the shares otherwise than right shares have been credited to the CDS sub-accounts of the subscribing persons, the revised paid-up capital of the Company will be PKR 4,446,955,770/=.
- That conditions imposed by the SECP shall be fulfilled by the Company in every respect by the time of issuance of shares and the directors have provided undertaking to the auditors in this regard.

Restriction on use and distribution

This certificate is issued at the request of the Company for the purpose of onward submission to the Central Depository Company of Pakistan Limited and is not to be used for any other purpose or distributed to any other parties. This certificate is restricted to the facts stated herein and is not a certificate of assurance. 

Yours truly,



Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

Lahore.