

2nd July 2018

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

Dear Sir

Subject : Material Information – Reduction of capital

In accordance with the applicable provisions of the Securities Act, 2015 and the Rule Book of the Pakistan Stock Exchange, we hereby convey the material information in connection with our earlier announcement dated 1st April 2016 and special resolution passed by shareholders on 27th October 2016 for reduction of capital of the Company by cancellation of 66,768,583 ordinary shares of the Company. Progress on the matter is disclosed below :

- 1- Pursuant to a Share Purchase Agreement executed on 31st March 2016 between Arif Habib Group and Metal One Corporation – Japan (MOC), the parties agreed that Mr. Mohammad Arif Habib individually to acquire all the ordinary shares of MOC in Aisha Steel Mills (ASML) at a price of Rs.0.50 per share with the intention of writing off and surrendering all the acquired shares, at no cost to the Company and in accordance with law, in order to enhance shareholder value for the remaining shareholders. Announcement in this regard was made to Pakistan Stock Exchange on 1st April 2016, and shares were subsequently surrendered by MOC in favour of Mr. Arif Habib through an irrevocable Power of Attorney.
- 2- In order to give effect to above, Shareholders of Aisha Steel Mills Limited have passed a special resolution in their general meeting held on 27th October 2016 for reduction of share capital by cancellation of 66,768,583 ordinary shares registered in the name of MOC (sold to Mr. Arif Habib pursuant to an irrevocable power of attorney issued to him by MOC) subject to compliance with all statutory and other formalities under applicable law. Consequently, a petition bearing J.C.M. No. 47 of 2016 was instituted before High Court of Sindh on 30th December 2016 for Confirmation of the Court with regard to reduction of capital.
- 3- This is to inform that the honorable High Court of Sindh in its Order dated 25th June 2018 has allowed the petition and minutes passed in Annual General Meeting of Aisha Steel Mills Limited held on 27th October 2016 for reduction of paid-up capital. Copy of the Order of the



Registered & Corporate Office :

2nd Floor, Arif Habib Centre, 23, M.T. Khan Road, Karachi, Pakistan.
Tel : (+92-21) 32468317-19-22, Fax: (+92-21) 32468316
Website : www.aishasteel.com, Email: info@aishasteel.com

Factory :

DSU-45, Pakistan Steel, Down Stream
Industrial Estate, Bin Qasim, Karachi, Pakistan.
Tel : (+92 21) 3474 0160-7, Fax: (+92 21) 3474 0151


Court is attached herewith which has also been sent to SECP on 29th June 2018 for completion of formalities under Section 102 of the Companies Ordinance, 1984.

- 4- Effect of reduction of capital on paid-up capital of Company after registration of Court Order by SECP CRO Office shall be as follows :

Particulars	Number of Shares				PKR
	ASL [Ordinary] (Qty)	ASLPS [Preference] (Qty)	ASLCPS [Preference] (Qty)	Total (Qty)	Total Amount
Paid-up Capital of Company before effect of reduction of capital	832,297,886	44,357,057	2,870,083	879,525,026	8,795,250,260
Cancellation of Metal One Corporation Shares	(66,768,583)	-	-	(66,768,583)	(667,685,830)
Paid-up Capital of Company after effect of reduction of capital	765,529,303	44,357,057	2,870,083	812,756,443	8,127,564,430

Thanking you,

Yours faithfully,


Manzoor Raza
Company Secretary



cc :

Director / Head of Department
Surveillance, Supervision and Enforcement
Department
Securities and Exchange Commission of Pakistan
(SECP)
NIC Building, 63 Jinnah Avenue, Blue Area
Islamabad

The Director (MSW/BO),
Securities Market Division
Securities and Exchange Commission of Pakistan
(SECP)
NIC Building, 63 Jinnah Avenue, Blue Area
Islamabad

**DISCLOSURE FORM
IN TERMS OF THE SECURITIES ACT 2015**

Name of Company : **AISHA STEEL MILLS LIMITED**

Date of Report : **2nd July 2018**

Name of Company as specified in the Memorandum : **AISHA STEEL MILLS LIMITED**

Company's Registered Office : **Arif Habib Center, 23, M.T. Khan Road,
Karachi-74000, Sindh**

Contact Information : **Tel: (021) 32468317-19-22
Fax: (021) 32468316**

Disclosure of Inside Information by Listed Company

We hereby convey the material information in connection with our earlier announcement to Pakistan Stock Exchange dated 1st April 2016 and special resolution passed by shareholders of Aisha Steel Mills Limited on 27th October 2016 for reduction of capital of the Company by cancellation of 66,768,583 ordinary shares of the Company. Progress on the matter is disclosed below :

- 1- Pursuant to a Share Purchase Agreement executed on 31st March 2016 between Arif Habib Group and Metal One Corporation – Japan (MOC), the parties agreed that Mr. Mohammad Arif Habib individually to acquire all the ordinary shares of MOC in Aisha Steel Mills (ASML) at a price of Rs.0.50 per share with the intention of writing off and surrendering all the acquired shares, at no cost to the Company and in accordance with law, in order to enhance shareholder value for the remaining shareholders. Announcement in this regard was made to Pakistan Stock Exchange on 1st April 2016, and shares were subsequently surrendered by MOC in favour of Mr. Arif Habib through an irrevocable Power of Attorney.
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- 3- This is to inform that the honorable High Court of Sindh in its Order dated 25th June 2018 has allowed the petition and minutes passed in Annual General Meeting of Aisha Steel Mills Limited held on 27th October 2016 for reduction of paid-up capital. Copy of the Order of the Court is attached herewith which has also been sent to SECP on 29th June 2018 for completion of formalities under Section 102 of the Companies Ordinance, 1984.



- 4- Effect of reduction of capital on paid-up capital of Company after registration of Court Order by SECP CRO Office shall be as follows :

Particulars	Number of Shares				PKR
	ASL [Ordinary] (Qty)	ASLPS [Preference] (Qty)	ASLCPS [Preference] (Qty)	Total (Qty)	Total Amount
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SIGNATURE

The Company has duly caused this form /statement to be signed on its behalf by the undersigned hereunto duly authorized.

For and on behalf of
Aisha Steel Mills Limited


Manzoor Raza
Company Secretary



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Lor

SECP. ✓

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IN THE HIGH COURT OF SINDH AT KARACHI

(Company Jurisdiction)
J.C.Misc. No. 47 of 2016

29-6-18
GO

Aisha Steel Mills & Others.....Petitioners

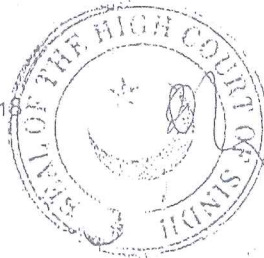
To,

The Securities & Exchange Commission of Pakistan (SECP)
Through its Companies Registration Office,
State Life Building-2, 4th Floor, Wallace Road,
Karachi

SUBJECT: COPY OF ORDER DATED: 25-06-2018

I am directed to forward herewith a certified copy of order dated 25-06-2018 passed by this Honourable Court in above-mentioned case, for information and Compliance.

KARACHI
DATED 29-06-2018



Assistant Registrar
Execution & Misc. Branch

29/6/18

IN THE HIGH COURT OF SINDH AT KARACHI

(Company Jurisdiction)
J.C.Misc. No. 47 of 2018

Aisha Steel Mills & Others.....Petitioners

To,

✓ The Securities & Exchange Commission of Pakistan (SECP)
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KARACHI
DATED 29-06-2018



Assistant Registrar
Execution & Misc. Branch

[Handwritten signature]
29/6/18

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
J. C. M. No. 47 of 2016

DATE: ORDER WITH SIGNATURE(S) OF JUDGE(S).

For hearing of main petition.

25.06.2018.

Mr. Ali Almani, Advocate for the Petitioner,
Syed Ebad, Law Officer, SECP.

This is a petition for reduction of paid-up capital of Petitioner No.1 by an amount of Rs.667,865,830/- (Rupees Six Hundred and Sixty Seven Million Eight Hundred and Sixty Five Thousand and Eight Hundred and Thirty only) through cancelling 66,786,583 Ordinary Shares registered in the name of Metal One Corporation (Japan)-the Petitioner No.2. such that Metal One Corporation (Japan) will cease to be a shareholder of Petitioner No.1.

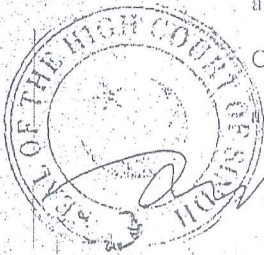
Mr. Ali Almani, learned counsel for the Petitioners has referred to various documents to show that all requisite statutory compliances have been made, besides no objection by the Securities and Exchange Commission of Pakistan ("SECP") as mentioned in their parawise comments.

The Petitioner No.2 (Metal One Corporation (Japan) has authorized Mr. Muhammad Arif Habib vide Irrevocable Power of Attorney dated 30th May, 2016, *inter alia*, to take all necessary steps in connection with the reduction of share capital of Petitioner No.1 (Aisha Steel Mills Limited); the Irrevocable Power of Attorney is available at page-137 (original seen and returned), which has been duly notarized by the Notary Public at Tokyo and Director of the Tokyo Legal Affairs Bureau dated 30.05.2016, besides



attested by the Embassy of Pakistan at Tokyo containing reference No.CS.432/7 dated May 31, 2016. This Irrevocable Power of Attorney also discloses that the said Muhammad Arif Habib has made payment for the above paid up ordinary shares to Petitioner No.2, in terms of a Share Purchase Agreement of 31.03.2016.

Learned counsel for the Petitioners has next referred to the Notice of 12th Annual General Meeting ("AGM") of Petitioner No.1, which was sent to the General Manager, Pakistan Stock Exchange Limited, for circulation, as the Petitioner No.1 is a public listed company. Notice was also published in daily Business Recorder in its issue of 06.10.2016 and a copy of the same is produced in Court today along with Balance Sheets (containing Horizontal and Vertical Analysis of Finance Statements), which are taken on record. Perusal of the Notice of 06.10.2016 to Pakistan Stock Exchange shows that it was accompanied by the draft of 12th AGM; mentioning at serial No.5, the aforementioned subject of reduction of ordinary shares and the proposed resolution to be passed pursuant thereof. At page-157 is the Memorandum of Association of Petitioner No.1 and at page-165 is the Articles of Association and clause-45 thereof has a provision of Reduction of Share Capital by way of special resolution and after fulfilling other statutory requirements, which have been complied with by the Petitioners' side as also confirmed by the SECP. At page-227 is the Minutes of 12th AGM, held on 27.10.2016 at Beach Luxury Hotel, Karachi, in which, according to the Minutes of Meeting, 566 shareholders participated, which represents 69% of the voting rights in Petitioner No.1. In that meeting, agenda Item No.5 about aforesaid issue was considered and approval was accorded unanimously, which means the requirements of section 96 of the Companies Ordinance, 1984, was also complied with as the approval was accorded by a special resolution and unanimously.

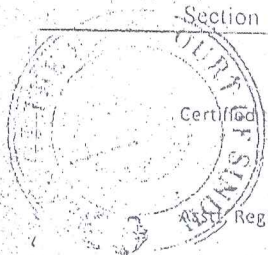


To a specific query about protecting the interest of creditors of Petitioner No.1 and would they be adversely affected by such Reduction Scheme; learned counsel has categorically stated that neither any payment is being made by Petitioner No.1 as Company to Petitioner No.2 or any other shareholder for the cancellation of paid up shares nor any diminution (reduction) of liability is taking place, therefore, interest of all the creditors of Petitioner No.1 is duly secured; thus Section 99 (about settlement of creditors' objection) of the erstwhile Companies Ordinance, 1984, is not applicable in the present case. Additionally and admittedly, despite public notice in daily Business Recorder as well as to the Pakistan Stock Exchange, no shareholder and creditor has come forward to raise any objection, which is also confirmed by the learned counsel for SECP.

In view of the above and since no objection has been raised by the Regulator-SECP, rather they have supported the case of Petitioners in their parawise comments; therefore, this Scheme of Reduction as contained in the present petition is allowed but with a clarification that it does not adversely affect the interest of any of the creditors of Petitioner No.1.

For the forgoing reasons, the minutes passed in the 12th AGM on 27.10.2016 for reduction of paid-up capital are approved and the petition is allowed. However, the condition of the words "and reduced" as mentioned in Section 98 of the Companies Ordinance, 1984, required to be added with the name of company, is dispensed with, keeping in view the facts and circumstances of the case. Let all the formalities concerning to the registration of order and minute of reduction be complied with in terms of Section 102 of the Companies Ordinance, 1984.

Sd/- Muhammad Faisal Kamal Alam,
Judge.



Certified to be true copy

Asstt. Registrar (Execution & Misc. Br.)