

22nd January 2021

Hafiz Maqsood Munshi
Manager – Companies & Securities Compliance - RAD
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir

Subject: Re: Unusual movement in price or volume of M/s. Aisha Steel Mills Limited (ASL)

This is with reference to your letter bearing No. PSX/Gen-117 dated 20th January 2021 (published at PSX website vide PSX/N-73) in connection with the subject cited above. The Company is asked to clarify regarding the observation of Exchange about the substantial increase in price of ASL during last two months.

In this respect, we would like to state that we are not aware of any specific reason / material information in terms of Section 97 of the Securities Act, 2015 and clause 5.6.3 of PSX Regulations, which may have resulted in unusual movement in price or volume of Aisha Steel Mills Limited (ASL), which has not previously been disclosed to the market through PUCARS.

Having said that, we understand that the substantial increase in market price might be based on the general knowledge of investors regarding overall economic recovery including the steel sector and rising international prices of HRC / CRC resulting in sharp increase in their local demand. Turnaround started in the first quarter which was reflected in the financial results of the Company for the quarter ended 30th September 2020.

It is also pertinent to reproduce here the outlook of the Company in view of Directors, CEO and the Chairman expressed in the last Annual and Quarterly Reports of the Company, which were duly uploaded at PUCARS earlier for common knowledge of investors:

Extract from Directors' Report "Future Outlook" dated 23rd September 2020 at page No. 51 of Annual Report 2020 (Uploaded at PUCARS on 7th October 2020):

With enhanced capacity and wider and diversified product line, your Company is fully geared to realize the future growth opportunities. Company's revenues are likely to increase in the coming years. Since both the ASML and ISL have increased their

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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.
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respective capacities substantially, imports will face tough competition. Local demand is expected to pick up sharply as the pandemic has subsided. Auto demand is picking up and the overall growth momentum is expected to return. The Construction Industry is likely to experience growth momentum and may have positive impact on demand of CRC. It is expected that the global prices and primary margins would remain firm.

Extract from CEO's message dated 23rd September 2020 at page No. 70 of Annual Report 2020 (Uploaded at PUCARS on 7th October 2020):

Second half of the year witnessed COVID-19 catastrophe. All leading economies of the world suffered. Pakistan and Aisha Steel were no exception. Towards the very end of the year, the COVID-19 curve flattened. Introduction of business friendly government policies helped to jump start the economy. A 'V-Shape' recovery is being anticipated.

Extract from Chairman's message dated 23rd September 2020 at page No. 66 of Annual Report 2020 (Uploaded at PUCARS on 7th October 2020):

The latter part of the year however brought some opportunities. Economic activity has started gaining momentum post relaxation of the nationwide lockdown in May 2020. Interest rates have been reduced by 625 basis points and various other steps were taken by the Government to ease the cost of doing business in Pakistan. The Government is also striving hard for the success of "Naya Pakistan Housing Scheme" as well as CPEC projects. These steps will provide a boost to the construction sector, which in turn is also expected to improve sales in steel sector as well.

Extract from Directors' Report dated 20th October 2020 at page No. 5 of Quarterly Report September 2020 (Uploaded at PUCARS on 29th October 2020):

Steel Market Review

After the decline of COVID-19 cases in Pakistan, the steel demand picked up sharply. The CRC prices also increased gradually, following the international trend.

Future Outlook

The pickup in auto sales and revival of construction sector augers well for both CRC and GI demand in the local market. In the near term, the outlook looks promising and the company expects to achieve set budgeted targets both in terms of production as well as sales.

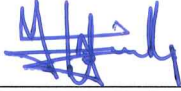
In view of the above, it is most respectfully submitted that the Company has complied with its relevant obligations under the applicable laws and all information which may



AISHA STEEL MILLS LIMITED

have caused such fluctuation in the share price of the Company has duly been disclosed. We believe that the above will clarify our position to the absolute satisfaction of the Exchange.

Yours' faithfully



Manzoor Raza
Company Secretary



cc :

The Joint Director (SMD) – SECP
Securities and Exchange Commission of Pakistan
7th Floor, NIC Building, 63 Jinnah Avenue
Islamabad

The Acting Chief Regulatory Officer
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
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