

16th May 2017

Mr. Muhammad Ghufan
DGM – Company Affairs
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi

Subject: Re: **ISSUANCE OF RIGHT SHARES**

Dear Sir

This is further to our letter dated 15th May 2017 in connection with your letter bearing reference No. PSX/C-1138-3291 dated 3rd May 2017.

Please find enclosed Auditors Certificate as **Annexure-A** confirming following position of shareholding at the close of the business on 15th May 2017 for the purposes of determination of Right Entitlement announced by Aisha Steel Mills Limited :

Sr.	Security – Aisha Steel Mills Limited	No. of shares
1.	Ordinary Shares (ASL)	685,563,193
2.	Preference Shares (ASLPS)	44,418,307
3.	Preference Shares (ASLCPS)	2,911,583

Further, in connection with increase in capital of Aisha Steel Mills Limited, please find enclosed cheques with following details against the Additional Listing Fee under Regulation No. 5.18.1.(b) of the PSX Regulations for the Issue of Right Shares along with SECP's Listed Company Supervisory Fee. Calculation and break-up of fee is enclosed as per **Annexure-B**.

Additional listing fee on conversion vide cheque bearing No. 09498658 **Rs.3,811,371/-**

Additional listing fee on Right Issue vide cheque bearing No. 09498655 **Rs.1,348,523/-**

SECP's Listed Company Supervisory Fee on above referred
Conversion vide Cheque bearing No. 09502062 **Rs. 414,280/-**

SECP's Listed Company Supervisory Fee on above referred

Right Issue vide Cheque bearing No. 09502061
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 : **Rs. 146,579/-**
DSU-45, Pakistan Steel, Down Stream
Industrial Estate, Bin Qasim, Karachi, Pakistan.
Tel : (+92 21) 3474 0160-7, Fax: (+92 21) 3474 015

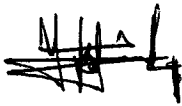
Furthermore, this is to inform that due to discrepancy faced by company on e-filing the same on SECP web portal, latest Form-3 for increase in Ordinary Shares of Aisha Steel Mills Limited on conversion of preference shares into Ordinary Shares upto 12th May 2017 has been manually submitted with SECP. Covering letter for submission of Form-3 to SECP is attached herewith as **Annexure-C**. Certified True Copy of the respective Forms will be submitted after approval and acknowledgement of SECP.

Furthermore, this is to undertake that Form-3 in connection with allotment of Right Issue will be filed with SECP within the prescribed time, and a copy thereof shall be submitted with the Stock Exchange.

Moreover, please find enclosed the following as our further submissions :

- Updated Letter of Right for physical issue as **Annexure-D**
- Updated Payment Procedure / instructions for CDS account holders / sub-account holders / IAS account holders (as per CDC Unpaid rights procedures) as **Annexure-E**
- Right Subscription Request as **Annexure-F**
- Undertaking as **Annexure-G** with the request for approval of Letter of Intimation, Letter of Right to Physical Shareholders, Circular u/s 86 and the tentative schedule and Right Subscription Requested provided vide our letter dated 10th May 2017.

Yours Sincerely



Manzoor Raza
Company Secretary

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AISHA STEEL MILLS LIMITED**CALCULATION OF PAYMENT OF ADDITIONAL LISTING FEE (PSX) &
SECP'S LISTED COMPANY SUPERVISORY FEE**

	Fees on increase due to conversions since 08-Dec-15	Fees on increase due to Right Issue
(ASL) Ordinary shares as on 15-May-2017	685,563,193	685,563,193
(ASLPS) Preference shares as on 15-May-2017		44,418,307
(ASLCPS) Preference shares as on 15-May-2017		2,911,583
(ASL) Ordinary shares as per PSX Quotation	271,283,676	
		732,893,083
No. of increased shares	414,279,517	146,578,616
Increased paid-up capital	4,142,795,170	1,465,786,160
A 1/10 of 1%	4,142,795	1,465,786
B 0.4% of additional capital raised	16,571,181	9,381,031
Lower of above (A and B) - PSX Fee	4,142,795	1,465,786
WHT deduction	(331,424)	(117,263)
PSX - Net Payment	3,811,371	1,348,523
SECP Supervisory Fee @ 10% of listing fee	414,280	146,579



A.F.FERGUSON&CO.

The Company Secretary
Aisha Steel Mills Limited
Arif Habib Centre
23 M.T. Khan Road
Karachi

16 May 2017

Our reference: ASR 2547

Dear Sir

As requested, we confirm the following after our verification of the books and records of Aisha Steel Mills Limited (ASML):

- I. Conversion of ASML's preference shares (PSX Symbol – ASLPS) into ordinary shares (hereinafter referred as "Conversion A") during the period 01 January 2017 to 31 May 2017 is inline and permissible under Clause 42A Sub Clause 4 of ASML's Articles of Association, and as per the terms and conditions of issue of preference shares approved in special resolution passed by members of ASML on 13 October 2010.
- II. Conversion of ASML's preference shares (PSX Symbol – ASLCPS) into ordinary shares at book value as calculated by the Company (hereinafter referred as "Conversion B") during the period 01 January 2017 to 15 May 2017, is inline and permissible under Clause 42A Sub Clause 4 of ASML's Articles of Association.

As specified in the terms and conditions of issue of preference shares, approved in special resolution passed by members of ASML on 26 May 2014:

"Preference shares shall be converted into ordinary shares at the option of the holders of preference shares at any time after completion of one year from the date of subscription as per following criteria/basis:

- a) *At face value provided that the book value of the Ordinary shares after adjustment of all accumulated losses as per latest half yearly/annual published accounts of the Company is Rs. 10/- or more;*
- b) *At book value provided that the book value of the Ordinary shares after adjustment of all accumulated losses as per latest half yearly/annual published accounts of the Company is lower than Rs 10/-;"*

ASL

Ali Akbar
01/05/17

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

However, there is no method for calculation of book value per share specified in the terms and conditions of issue of preference shares (ASLCPS) as mentioned in (b). In the absence of any method for calculation of book value per share, the Company has calculated the book value per share as follows:

		As at 31 December 2015 Rupees
Equity and surplus on revaluation of fixed assets:		
Ordinary shares of Rs. 10 each		2,712,836,760
Cumulative preference shares (PSX Symbol - ASLPS) of Rs. 10 each		725,363,820
Cumulative preference shares (PSX Symbol - ASLCPS) of Rs. 10 each		1,719,100,290
Accumulated loss		(3,286,168,000)
Surplus on revaluation of fixed assets		386,317,000
Net equity and surplus on revaluation of fixed assets	A	<u>2,257,449,870</u>
		Number of shares as at 31 December 2015
Number of shares		
Ordinary shares of Rs. 10 each		271,283,676
Cumulative preference shares (PSX Symbol - ASLPS) of Rs. 10 each		72,536,382
Cumulative preference shares (PSX Symbol - ASLCPS) of Rs. 10 each		171,910,029
Total number of shares	B	<u>515,730,087</u>
Book value per share (Rs. per share)	C=A/B	4.377
Face value per ordinary share (in Rs.)	D	10
Share conversion ratio	E=D/C	2.285

The Company has fixed this share conversion ratio of preference shares (ASLCPS) for all conversions.

- III. There has been no payment to preference shareholders in lieu of cancellation as cancellation results in issuance of ordinary shares.
- IV. Number of shares outstanding as at 31 December 2016 (before conversion) and as at 15 May 2017 (after conversion), of preference shares (ASLPS), preference shares (ASLCPS) and ordinary shares are as follows:

	Ordinary shares	Preference shares (ASLPS)	Preference shares (ASLCPS)
	← Number of shares →		
Shares (before conversion)	409,782,661	71,928,620	111,563,759
Number of shares converted	275,780,532	(27,510,313)	(108,652,176)
Shares (after conversion)	685,563,193	44,418,307	2,911,583



2. In respect of Conversion A and Conversion B for the period from 01 January 2017 to 15 May 2017, following forms / documents have been verified:
- Cancellation confirmation letters filed by ASML to Central Depository Company (CDC);
 - Allotment confirmation letters filed by ASML to CDC;
 - Confirmation letters issued by CDC in respect of conversion of preference shares into ordinary shares;
 - Joint Registrar of Companies certified true copies of Form 6 – Return of cancellation of shares; and
 - Joint Registrar of Companies certified true copies of Form 3 – Return of allotment.

In respect of Conversion A of 88,000 shares on 15 May 2017, 'Form 6 – Return of cancellation of shares' and 'Form 3 – Return of allotment' have not been filed yet. We have been given to understand by the management that the aforementioned forms will be filed in due course.

Yours truly

A handwritten signature in black ink, appearing to be 'A. Ferguson', written over a horizontal line.

12th May 2017

The Registrar of Companies
Securities and Exchange Commission of Pakistan
Company Registration Office
4th Floor, State Life Building No. 2
Off I. I. Chundrigar Road
Karachi

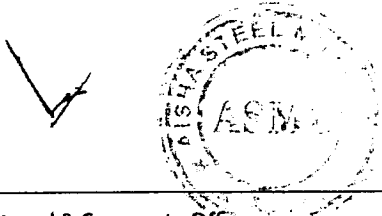
Dear Sir,

**FILING OF FORM-3 & FORM-6 ON CONVERSION OF SHARES
& CORRECTION OF DISCREPANCY IN CAPITAL OF THE COMPANY**

In connection with the subject cited above, this is to inform that Aisha Steel Mills Limited has 3 types of share capital, i.e. Ordinary (ASL), Preference-1 (ASLPS) and Preference-2 (ASLCPS); whereas ASLPS and ASLCPS are convertible into ordinary shares in accordance with their terms and conditions approved vide Special Resolutions dated 13th October 2010 and 26th May 2014 respectively. As there is no specific Form available to cater the conversion feature, the conversions are reported as issuance of new ordinary shares in Form-3 and cancellation of Preference shares in Form-6.

It has been noticed since 2014 that automatically derived amount of capital in respective online Forms does not match with the actual capital of the company. In order to assess the reason for difference in actual capital and the capital reflected in Form-3, we have inspected the records at SECP office since the inception of company and found out the following reasons of difference in paid-up capital of the company.

- 1- Form-3 rightly consolidates the amount of capital of all the 3 types of share capital while arriving at and calculating the total capital, but does not account for the decrease in capital filed on conversion of shares through Form-6.
- 2- On the contrary, Form-6 is not reflecting the consolidated capital of all the 3 types of share capital, and is only accounting for the capital of Preference-1.



12 MAY 2017
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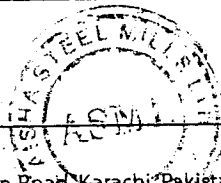
- 3- At some of instances, it has been observed that there is a discrepancy in automatic calculation of capital. For instance, "Paid-up Capital (Inclusive of present allotment" in Form-3 filed on 14th October 2015 does not add the current allotment correctly in the previously filed Form-3 dated 27th May 2015.
- 4- On filing the Form-3 for conversion of shares from ASLCPS to ASL whereby the conversion ratio is 2.285 : 1, the difference on conversion of ASLCPS to ASL is to be mentioned in the filed for discount, which only accepts 5 decimal places, resulting in wrong calculation of difference.

Due to the reasons identified as above, Form-3 on conversion of ASLCPS to ASL were not filed after reporting the 1st such conversion on Form-3 dated 8th October 2016. A thorough and comprehensive exercise has also been conducted to prepare an updated and correct position of the movement of share capital of the company since its inception, in accordance with the reporting already made to SECP earlier through Form-3 and Form-6. The same is annexed as Annexure-A to this letter.

Consequently, Form-3 and Form-6 for issuance / decrease in capital on following conversions during the current financial year which were not filed earlier, are hereby filed manually with correct position of movement in capital.

Sr.	Date of Conversion	Ordinary Share (ASL)	Preference Share (ASLPS)	Preference Share (ASLCPS)
1.	30-Aug-16	3,721,121	-	(1,628,500)
2.	08-Sep-16	23,164,187	-	(10,137,500)
3.	05-Oct-16	15,526,574	-	(6,795,000)
4.	13-Oct-16	22,850,000	-	(10,000,000)
5.	18-Oct-16	22,850,000	-	(10,000,000)
6.	20-Oct-16	49,094,402	-	(21,485,515)
7.	06-Jan-17	38,500	(38,500)	-
8.	09-Jan-17	127,597,374	-	(55,841,302)
9.	24-Jan-17	26,896,242	(26,896,242)	-
10.	24-Feb-17	74,559,677	-	(32,630,056)
11.	14-Mar-17	426,946	(426,946)	-
12.	11-Apr-17	46,109,503	-	(20,179,214)
13.	17-Apr-17	60,625	(60,625)	-
14.	28-Apr-17	3,665	-	(1,604)

✓



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In view of the facts mentioned above, it is humbly requested that the manual submission of Form-3 and Form-6 pertaining to aforementioned conversions may be accepted. It is also requested that the impact of the corrected capital in accordance with the Forms submitted as above be incorporated in the system so that to enable us e-filing the subsequent Form-3 and Form-6 via SECP web portal.

Kindly acknowledge the receipt.

Yours Sincerely



Manzoor Raza
Company Secretary

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