Right-13/F1888/2022
25 January 2022

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

Subject: **Request for Issuance of No Objection Certificate for Release of Right Subscription Amount**

Dear Sir,

In compliance with your letter no. C421-2160 dated 02/11/2021, we hereby confirm that 22,608,508 right shares offered by Feroze1888 Mills Limited have been fully subscribed. In this regard, auditor's certificate confirming receipt of full subscription money amounting to PKR 1,582,564,060 against issue of right shares is attached herewith.

In light of the above, you are requested to kindly issue 'No Objection Certificate' in favour of Habib Metropolitan Bank Limited and Central Depository Company of Pakistan Ltd for release of right shares subscription amount.

**Thanking you,**

Yours faithfully,
*for* **Feroze1888 Mills Limited**

**Mudassir Moten**
Company Secretary

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AC/HB/294/22
24 January 2022

Mr. Mudassir Moten
Company Secretary
Feroze1888 Mills Limited (the Company)
Karachi

**Certificate on receipt of amount against proposed issue of right shares as required under clause 8 (Annexure II) of Pakistan Stock Exchange Limited's (PSX) letter**

Dear Sir

We have performed the procedures agreed with you vide our engagement letter number AC/HB/284(A)/22 dated 17 January 2022 with respect to the auditor's report on receipt of amount against proposed issue of right shares for onward submission to Central Depository Company (CDC) and PSX. Our engagement was undertaken in accordance with the International Standards on Related Services (ISRS) - 4400, "Engagement to Perform Agreed-upon Procedures Regarding Financial Information", applicable to agreed-upon procedures engagements. The procedures were performed solely to provide you with an auditors' report in respect of the annexed statement (the statement), prepared by the management of the Company in respect of compliance with the Procedures and duly initialed by us for identification purposes, are summarized as follows:

1. Obtained and checked certified true copy of the resolution of Board of Directors of the Company approving issue of further 22,608,058 ordinary shares of the Company of PKR 10/-each to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder i.e. right issue at a price of PKR 70/- in accordance with Section 83 of Companies Act, 2017;

2. Obtained and checked copy of letter issued under Section 83 of the Companies Act, 2017 for last date of payment / renunciation;

3. Examined CDC right entitlement register to verify shares held physically and through CDC;

4. Obtained the bank statement of the designated bank account of the Company maintained with Habib Metropolitan Bank Limited (the bank) and checked that aggregate subscription of Rs.1,580,553,166 has been received into the Company's bank account and Rs.2,011,380 through 1 Link facility, received directly by CDC, upto 21 January 2022.

5. Obtained management's representation that all requirements concerning allotment of shares in the name of CDC have been fulfilled.

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We report our findings below:

With respect to items (1), (2), (3), (4) and (5) stated above, we found that an amount of Rs.1,582,564,060 has been received by the Company, against subscription of 22,608,058 right shares having face value of Rs.10 each. Details of right shares and subscription money received are as under:

| | Shares | Amount Rupees |
|---|---|---|
| Directors and sponsors | | |
| - initial subscription | 15,010,523 | 1,050,736,610 |
| - unsubscribed shares | 724,562 | 50,719,340 |
| | 15,735,085 | 1,101,455,950 |
| - General public and others | 6,872,973 | 481,108,110 |
| Total | 22,608,058 | 1,582,564,060 |

Revised paid-up capital after right issue is as follows:

| | Number of Shares | Par Value | Total Capital |
|---|---|---|---|
| Paid-up capital before right issue | 376,800,968 | 10 | 3,768,009,680 |
| Right shares issued | 22,608,058 | 10 | 226,080,580 |
| Paid-up capital after right issue | 399,409,026 | | 3,994,090,260 |

The movement of shares held physically and through CDC, taking into account the right share issuance is as follows:

| | Physically Held Shares | Shares held through CDC | Total Number of Shares |
|---|---|---|---|
| No. of shares before right issue | 61,588 | 376,739,380 | 376,800,968 |
| Right shares issued | 328 | 22,607,730 | 22,608,058 |
| No. of shares after right issue | 61,916 | 399,347,110 | 399,409,026 |

The requirements with regard to the allotment of shares in the name of CDC have been complied with.

Further, in respect of above, we have been informed that there has/have been no condition(s) imposed by concerned regulatory bodies including but not limited to the Securities and Exchange Commission of Pakistan applicable at this stage that were required to be complied with by the company.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on compliance with the Regulations.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the subject captioned above and does not extend to any financial statements of the Company, taken as a whole.

We further confirm that we are the Statutory Auditors of the Company for the year ending 30 June 2022.

Chartered Accountants

Place: Karachi

Date: 24 January 2022

SAS:HB:MA.