Pakistan Standards

03 April 2017
Ref: ASL/PSX/0043/2017

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

SUBJECT: QUARTERLY PROGRESS REPORT ON EXPANSION AT DHABEJI – AS ON 31 MARCH 2017

Dear Sir,

As required under Clause.19 of the letter bearing No.KSE/GEN-6603 dated 13 August 2015 issued by the Pakistan Stock Exchange Limited – PSX (Formerly: Karachi Stock Exchange Limited) with respect to the clearance of Prospectus of M/s. Amreli Steels Limited ("the Company"), we are pleased to submit quarterly progress report of the expansion project at Dhabeji as on 31 March 2017.

Status of activities charted in the prospectus is given as under –

Task	Expected Month of Activity Completion (As per Prospectus/ First Revision)	Status as on 31 March 2017
Acquisition of land	Already acquired	Completed and already reported to PSX
Contract finalization with equipment supplier	July 2015	Completed and already reported to PSX
Layout finalization of equipment with auxiliaries	October 2015	Completed and already reported to PSX
Opening of LCs for the import of machineries	October 2015	Completed and already reported to PSX
Basic calculations of mill operating parameters and equipment design	December 2015	Completed and already reported to PSX
Detail designing of equipment with general arrangement of drawing and loading for civil foundation and utility requirements	April 2016	Completed and already reported to PSX
Manufacturing of mechanical equipment	Original - August 2016 First Revision – November 2016	Completed
Civil foundations and Shed erection	Original - August 2016 First Revision – January 2017 and February – 2017	Second Revision – May 2017 Completed The civil foundation was earlier expected to be completed by January 2017 as reported to PSX vide our Quarterly Report dated 13 October 2016.

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		However, due to delay in submission of drawings from our engineering consultants, 85% of civil foundation has been completed and the remaining 15% is expected to be completed by 15th May 2017.
Delivery of mechanical equipment	Original - September 2016 First Revision - December 2016	Second Revision - May 2017 The delivery of mechanical equipment was earlier expected to be completed by December 2016 as reported to PSX vide our Quarterly Report dated 13 October 2016. However, as of today, 85% delivery of the mechanical equipment has been completed and the remaining 15% is expected to be completed by 15th May 2017.
Manufacturing of electrical equipment	Original - August 2016 First revision - November 2016	Completed
Delivery of electrical equipment	Original - September 2016 First Revision – January 2017	Second Revision – April 2017 The delivery of electrical equipment was earlier expected to be completed by January 2017 as reported to PSX vide our Quarterly Report dated 13 October 2016. However, as of today, 80% delivery of the electrical equipment has been completed and the remaining 20% is expected to be completed by 30 April 2017.
Installation of mechanical equipment at project site	Original –November 2016 First Revision – February 2017	Second Revision – July 2017 The installation of mechanical equipment was earlier expected to be completed by February 2017 as reported to PSX vide our Quarterly Report dated 02 January 2017.

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		The installation of the delivered equipment is in process and the full activity is now expected to be completed by July 2017.
Installation of electrical equipment at site	Original – November 2016 First Revision – February 2017	Second Revision – June 2017 The installation of electrical equipment was earlier expected to be completed by February 2017 as reported to PSX vide our Quarterly Report dated 02 January 2017. Now, it is expected to be completed by June 2017.
Cold commissioning (dry run of all mechanical and electrical equipment)	Original – December 2016 First Revision – March 2017	Second Revision – August 2017 The cold commissioning was earlier expected to be completed by March 2017 as reported to PSX vide our Quarterly Report dated 02 January 2017. However, due to delay in detailed engineering, design and delivery of mechanical and electrical equipment, the cold commissioning has now been delayed to August 2017.

With the second revision, the revised target month for hot commissioning is now October 2017.

After the second revision, the Commercial Operation Declaration is expected to be announced in the last week of November 2017 which was earlier planned (after first revision) for September 2017 as communicated earlier to the PSX.

The revision in time line for completion of the project was inevitable as the Company is dependent upon the supplier for timely delivery of drawings and equipments.

You are requested to kindly disseminate the information to the TRE certificate holders of the Exchange accordingly.

Yours Sincerely,

Adnan Abdul Ghaffar
Company Secretary

AMRELI STEELS LIMITED
KARACHI

Fazal Ahmed
Chief Financial Officer

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c.c.:

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