



January 18, 2016
Ref: ASL/KSE/2016/001

Mr. Muhammad Ghufraan
Deputy General Manager - Operations
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

SUBJECT: PROGRESS REPORT ON EXPANSION AT DHABEJI – AS ON 15 JANUARY 2016

Dear Sir

As required under Clause.19 of the letter bearing No.KSE/GEN-6603 dated 13 August 2015 issued by the Karachi Stock Exchange Limited with respect to the clearance of prospectus of M/s. Amreli Steels Limited, we are pleased to submit following progress report of the expansion plan to the Exchange.

The work on expansion plan is progressing well in time, details of which are provided as under.

Contract finalization with equipment suppliers

- New Rolling Mill supply order has been awarded and LC has been opened in favour of M/s. Primetals Technologies.
- 30 MT New Induction Furnace, order placed to M/s Electrotherm
- Enhancement of power of two existing induction furnaces. Order placed to M/s. Electrotherm
- Revamping of continuous casting machine along with turn over cooling bed. Order placed to M/s. Concast Limited
- Pre-fabricated shed extension of columns. Order placed to M/s. Izhar Steel (Pvt.) Ltd.
- Cranes have been ordered to M/s. Federal Engineers.
- Slag Pot has been ordered from M/s Bharat Internationals.
- Equalizing/Reheating Furnace has been ordered to M/s. TENOVA.

In process:

- Pre-fabricated shed supplier evaluation has been done and round of negotiation has started.
- Crane specification has been finalized and issued and comparative statement of suppliers done.
- Water treatment plant specification has been finalized and floated to potential suppliers.
- 50/63 MVA Transformer ordering is in final stage. PO will be issued in a week's time.

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1/2



Layout finalization of equipment with auxiliaries

- Final layout drawing of the rolling mill has been approved and issued for civil designing by supplier with reactions and loads.
- Final layout drawing has been approved for revamping of continuous casting machine and issued for civil designing by supplier with reactions and loads.
- Civil work for pre-fabricated shed extension has started. Excavation work has been done and preparation for raft casting in progress.

Opening of LCs for the import of machineries

All major LCs related to the project has been opened, the details of which are as under;

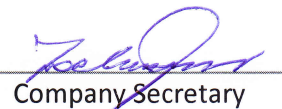
Beneficiary	Currency	Amount	Amount in PKR*
Primetal	FOB Euro	10,700,000	1,177,000,000
Tenova	CNF \$	3,858,034	405,093,570
Izhar	CNF PKR	56,817,000	56,817,000
Federal Engineers	CNF \$	400,000	42,800,000
Electrotherm	CNF \$	1,775,000	189,925,000
Concast	CNF \$	780,000	83,460,000

*estimated

Basic calculations of mill operating parameters and equipment design.

Basic engineering process of the rolling mill and steel melt shop equipment design has been completed.

Yours Sincerely,



Company Secretary



Chief Financial Officer