

IRON & STEEL

LTD



1.0

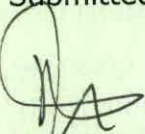
Ag. EXD

The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$7.1m
- (b) Legal entity has been incorporated under certificate No. 22272-01 of 23/12/12

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.



N.A. Senzia
DIF
14th March, 2012

2.4

EXD

In response to the TIC letter of registration dated 14th March 2012

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from National Bank of Commerce Limited
- (c) the deed as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 042189 herein attached.

25/09/2012


DIF

3 Ag DIF

The COI has been amended as per F2 and is hereby submitted for your action.

~~Ag~~
15/12/17

4 EXP

The process of amending shareholders at BRELA is very slow. we have received several cases of similar nature.

Specifically for this application, we are submitting amendment of shareholders as appearing on Section one of the COI, for your approval.

~~Ag~~ Ag. DIF 12/04/2018

TANZANIA INVESTMENT CENTRE
APPROVED BY:
Signature: <i>[Signature]</i>
(EXECUTIVE DIRECTOR)
Date: 12/04/2018

5. IFG (G) - (F.6)

For your kind attention, please.

~~Ag~~
Ag. DIF
15/10/2020

6 IFM (P) F.G.

The Application (FGS) has been evaluated through system and forwarded to you for further process & guidance.

I humbly Submit

~~Ag~~
IFG - 26/10/2020

MINUTE SHEET

DOKEZO
No.

Ag. DUF (F.G)

This project is forwarded to you (electronic-
copy) for your kind attention. Humbly
submit.

AG/Fin(P)
26/05/2020

MINUTE SHEET

DOKEZO
No.



IRON AND STEEL LIMITED



P.O. Box 20427, 33, Mikocheni Industrial Area, Dar es Salaam-TANZANIA
Telephone: Office (255-22) 2120542, Factory (255-22) 2700360,
Fax: (255-22) 2700361, Mobile: 0786 - 212065, Email: isltz.dar@gmail.com

REF : ISL/TIC/2017/03

DATE : 07.12.2017

To,

Tanzania Investment Centre,

Shaaban Robrt Street,

P.O.Box No. 938,

Dar es Salaam.



RE : REQUEST FOR AMENDMENT / UPDATION OF DIRECTORS PARTICULARS IN CERTIFICATE OF APPROVAL / TIC RECORDS.

Dear Sir,

We hereby request you to make the following amendments in your records regarding directors particulars of our company :-

1. As per Annual Return of Company for the year ending on 31.12.2016 (Copy of Form No. 128 dt. 01.08.2017 enclosed) Directors are :- (1) Amin Mohamed Ramji (2) Abdulaziz Lalani.
2. Appointment of new Director Mr. Shamir Ramji on 25.07.2017 in 2017 as per Form No. 210a filed with BRELA on 25.07.2017 (Copy of form 210a enclosed).

Following documents are also enclosed herewith for the purpose :-

- (a) Annual audited financial statement of the company for the year 2016
- (b) Porgress Report in Annexure-2

Kindly do the needful immediately and confirm. Thanking you,

Yours faitfully,

For Iron & Steel Ltd.

(Authorized Signatory)



THIS CERTIFICATE REPLACES
THE PREVIOUS ONE

S. J. M.

AMENDMENTS ON SECTION
ONE HAS BEEN EFFECTED

S. J. M.

Certified as true copy

S. J. M.
Executive Director
Tanzania Investment Centre

16/7/2000



THE UNITED REPUBLIC OF TANZANIA

(D)

Certificate of Approval

No. 041060

(The National Investment (Promotion and Protection)

*Act, No. 10 of 1990) issued under authority of
T.I. Act, 1997 Section 31(1).*

This is to Certify that IRON AND STEEL LIMITED

of address P. O. BOX 20427

DAR ES SALAAM

has been granted a Certificate of Approval to invest in/new ~~XXXXXXXXXX/XXXXXXXXXX~~

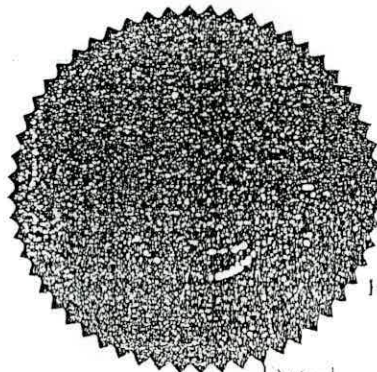
enterprise known as IRON AND STEEL LIMITED

which is located at PLOT NO: 33 MIKOCHENI LIGHT INDUSTRIAL

AREA, DAR ES SALAAM

Further particulars required by section 14 of the Act are set out overleaf.

Investment Promotion Centre,
P.O. Box 938,
DAR ES SALAAM



S. J. M.

XXXXXXXXXXXXXXXXXXXX
EXECUTIVE DIRECTOR (TIC)

Dated 21ST AUGUST, 2000

the National Investment (Promotion & Protection) Act, No 10 of 1990 and is subject to the conditions hereafter prescribed

- | | | | |
|----|-------------------|-------------|------------------|
| 1. | Shareholders | Nationality | Shareholding (%) |
| | Sadrudin Sharif | Tanzanian | 20 |
| | Sadrudin Mangalji | Canadian | 20 |
| | Sultan Rashid | Canadian | 20 |
| | Aminmohamed Ramji | Tanzanian | 20 |
| | Abdu Aziz Lalani | Pakistan | 20 |
2. Description of Enterprise: To establish and operate a Steel Rolling Mill Plant
3. Type of Enterprise: Steel Products Producers
4. Investment cost: Foreign Tshs. 498 m. Local Tshs. 478.9 m.
Total (Foreign) Tshs. 498 m. Total (Local) Tshs. 478.9 m.
5. Project Financing:
Equity Tshs. 493.3 m. Loans Tshs. 483.6 m. Total Tshs. 976.9 m.
6. Source, terms and conditions of loan TDFL; Payback period 9 years; Interest rate 29%; Moratorium period 1 years.
7. Approved Capacity 4800MT of various steel products p.a.
8. Form of Assets to be invested:
- | | Foreign | Local | Total |
|----------------------|---------------|----------------|----------------|
| Capital equipment | Tshs. 495 m. | Tshs. 315m. | Tshs. 810 m. |
| Initial raw material | Tshs. 5.666m. | Tshs. 18.750m. | Tshs. 24.452m. |
9. Technology Agreement None
10. Date of Approval by I.P.C. 07 June, 1993
11. Implementation period June 1993 - 31st March, 1997
12. Operative date 01st April, 1997
13. Investment Incentives Granted: As defined in Part IV of the Act
Period of Duty and Sales tax exemption June 1993 - 31st March, 1997
Period of Tax holiday 01st April, 1997 - 31st March, 2002
14. Protection of Investment, Arbitration and Transfer of Foreign Currency: As defined in Part V of the Act.
15. Conditions attached to this Certificate of Approval
None

Note: This Certificate of Approval shall not be transferred without the approval of the

Unclaimed refund beyond three years will be forfeited



TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC037173

No.036430

Received from : IRON AND STEEL LIMITED

Address P. O. Box Dar Es Salaam

Received the sum of (In words): ONE THOUSAND AND ZERO CENTS ONLY

Being payment in respect of: CERTIFICATE OF INCENTIVE FEES

Amount : USD 1,000.00

Cash / Cheque No: D/deposit 08/12

Date : 08-Dec-2017

For Executive Director
Tanzania Investment Centre
BUISSO
Receiving Officer





TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC008473

No. 001216

Received from : IRON AND STEEL LTD

Address _____

Received the sum of (In words): SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY

Being payment in respect of : CERTIFICATE OF INCENTIVES FEES

Amount : USD 750.00

Cash / Cheque No: D/deposit 07/3

Date : 14-Mar-2012

JSimba _____

Receiving Officer

*For Executive Director
Tanzania Investment Centre*

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF HOME AFFAIRS
TANZANIA POLICE FORCE

4



The Officer in charge,
Oysterbay Police Station,
S. L. P. 9140.
DAR ES SALAAM.

19/12/2017

OB/B.1/1/VOL. XXIII/9605

POLICE LOSS REPORT

OB/RB/ 19371 /2017

I certify that AMINA RAJAB MALWAN reported at
Oysterbay Police station that on 4/4/2017
that the under mentioned items were stolen / lost.
THE OF ORIGINAL CERTIFICATE OF TIC DATED ON
2006

Neither Arrest nor recovery has been made to date:

ERV.....of Date.....


OFFICER COMMANDING STATION
OYTERBAY POLICE STATION
DAR ES SALAAM.

MIRIAM M. MACHA POLISI
OYTERBAY
STATION

NB:It must clearly understood that this certificate is not evidence that the report made to the Police by the complainant is accepted by the Police as genuine.

viwanja vya
Gymkhana, Dar
es Salaam jana.

kuweza kushiriki," alisema.

■ SOKA

Maandalizi Hananasif Jogging yaiva

Na TUNU NASSOR

MAANDALIZI kwa ajili ya kufanikisha tamasha la jogging la 'Hananasif Day' lililopangwa kufanyika Januari 28, mwakani, katika viwanja vya Shule ya Msingi Hananasif, Kinondoni, Dar es Salaam, yamekamili kwa asilimia 70.

Mwenyekiti wa Tamasha hilo, Majani Mrope, alisema kuwa, kila kitu kinaendelea vyema, ambapo mpaka sasa zaidi ya klabu 60 za jogging zimethibitisha kushiriki.

Alisema tamasha hilo limeandaliwa na Hananasif Jogging klabu kwa lengo la kuwakutanisha wakazi wa kata hiyo kufanya mazoezi kwa ajili ya kuweka utimamu wa afya zao, ambapo pia watapata fursa ya kupimwa na madaktari ambapo mgeni rasmi anatarajiwa kuwa Mkurugenzi wa Utawala na Utekelezaji Kampuni ya Michezo ya Kubahatisha SportPesa, Abbas Tarimba.

Majani alisema mbio hizo zitaanzia Uwanja wa Garden, Kinondoni Mkwajuni na kupita mitaa mbalimbali ya Kinondoni, kabla ya kumalizikia viwanja vya Shule ya Msingi Hananasif. Aliwaomba wadau mbalimbali kujitokeza kudhamini baadhi ya changamoto zinazowakabili, ikiwamo maji kwa ajili ya wakimbaji.

■ KOMBE LA FA

JKT Ruvu kuvaana na Mvuvumwa

Na MOHAMED KASSARA
-DAR ES SALAAM

KIKOSI cha timu ya JKT Ruvu leo kinatarajia kushuka dimbani kuumana na Mvuvumwa FC, katika mchezo wa Kombe la Shirikisho, utakaopigwa katika Uwanja wa Uhuru, jijini Dar es Salaam.

Akizungumza na MTANZANIA jana, Ofisa Habari wa klabu hiyo, Costantine Masanja, alisema kuwa, kikosi chao kiko katika hali nzuri ya kupambana si kwenye michezo

ya FA tu, hata kwenye michezo ya Ligi Daraja la Kwanza (FDL), inayotarajiwa kuanza hivi karibuni.

Alisema kuwa, katika mchezo huo, timu hiyo itafunga vitambaa vyeusi na kusimama kwa dakika moja kabla ya mechi kuanza, ikiwa ni ishara ya kutoa heshima kwa askari 14 wa Jeshi la Wananchi wa Tanzania (JWTZ) waliokufa nchini Kongo.

"Kikosi chetu kiko imara, Kocha Shime kanihakikishia kuwa amewaandaa vijana wake kupambana kwenye mchezo

huo na michezo mingine yote inayotukabili katika Ligi Daraja la Kwanza, hivyo tuko katika hali nzuri ya kuibuka na ushindi kwenye mchezo huo.

"Katika mchezo huo tutafunga vitambaa vyeusi na kusimama kwa dakika moja kabla ya mchezo kuanza kwa ajili ya kutoa heshima kwa askari 14 wa JWTZ waliopoteza maisha Kongo, tuna baraka zote za kufanya hivyo, kwani tuliwasiliana na mamlaka husika, ambao ni TFF, alisema Masanja, ambaye ni Ofisa Mteule Daraja la Pili.

CHETI KIMEPOTEA



Mimi IVO MULOKOZI nimepotelewa na cheti changu cha kumaliza kidato cha sita chenye Index namba S.0148-0506 kilichotolewa mwaka 2010 na Baraza la mihani Tanzania na shule ya Seminari RUBYA.

Nimeripoti kituo cha polisi na kupatiwa RB namba TBT/RB/8910/2017.

Kwa yeyote atakakiona apeleke kituo chochote cha polisi kilicho karibu naye.

PASIPOTI IMEPOTEA



Mimi YASINTA BONIFACE HUSSEIN nimepotelewa na pasipoti Yangu yenye namba AB 039747 iliyotolewa na idara ya uhamiaji Tanzania mwaka 2005.

Nimeripoti kituo cha polisi na kupewa RB Na.KW/RB/B/11/1/NRX235.

Yeyote atakayeiona atoe taarifa kituo chochote cha polisi kilicho karibu naye.

CHETI KIMEPOTEA

Kampuni ya IRON AND STEEL LIMITED iliyoko PLOT No. 33 Mikocheni Light Industrial Area Dar es Salaam, inatangaza kupotelewa na cheti cha uthibitisho chenye namba za usajili 041060 kilichotolewa mwaka 2000 na Kituo cha Uwekezaji Tanzania (TIC).

Tumeripoti kituo cha polisi na kupatiwa RB namba OB/RB/19371/2017.

kwa yeyote atakayeiona apeleke kituo chochote cha polisi kilicho karibu naye.

Ligi Mkoa wa Dodoma kuanza Januari

Na RAMADHA HASSAN
-DODOMA

CHAMA cha Soka mkoani Dodoma (Dorefa), kimesema Ligi ya Soka ya Mkoa huo inatarajiwa kuanza mwishoni mwa Januari, mwakani.

Akizungumza juzi mjini hapa na waandishi wa habari, Ofisa Habari wa Dorefa, Alex Mtalika, alisema bado hawajapanga tarehe rasmi ya kuanza kwa ligi hiyo, lakini wanatarajia ianze mwishoni mwa Januari.

"Januari ligi yetu inaanza, tunakaa kikao hivi karibuni kujadili makundi yatakuwa katika wilaya

zipi, sheria ni zipi zitakazotumika pamoja na idadi ya timu ambazo zitashiriki ligi hiyo," alisema.

Mtalika alisema Dorefa wamejipanga ligi hiyo iwe bora kwa ajili ya kuzisaidia timu za Dodoma FC na Area C United kuweza kupata wachezaji ambao watazisaidia katika ligi zinazoendelea.

"Tunataka bingwa apatikane uwanjani, si nje ya uwanja, hivyo tutasimamia kanuni na taratibu kuhakikisha ligi hiyo inachezwa kwa kufuata sheria zote za soka, kwani kumekuwa na malalamiko mengi kuhusiana na ligi zilizopita," alisema.

HABARI/TANGAZO

Mtanzania
20/12/2017



Certified as True Copy
of the Original
Signature: *[Signature]*
Date: 17/04/2018

0223573

THE UNITED REPUBLIC OF TANZANIA

For Executive Director
Tanzania Investment Centre

Certificate of Incentives

THIS CERTIFICATE (Section 17 of the Tanzania Investment Act, 1997) AMENDMENT ON SECTION 1 HAS BEEN EFFECTED
REPLACE THE PREVIOUS ONE NO. 042189
ISSUED ON 21/08/2000 No: 042189

Blank This is to certify that *Blank*

IRON AND STEEL LIMITED

P.O. BOX 20427

of address.....

DAR ES SAALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation~~ ~~expansion~~ ~~or equity of the~~ enterprise known as

IRON AND STEEL LIMITED

PLOT NO. 33, MIKOCHENI INDUSTRIAL AREA

Which is located at

DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

[Signature]

Executive Director

Tanzania Investment Centre
P.O.Box 938, Dar es Salaam

Dated 12TH APRIL 2018

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

1. Shareholders

	Nationality	Shareholding (%)
Shiraz Shariff	Tanzanian	0.00002
Bismarck Investors Ltd.	British Virgin Island	15.45
Amin M. Ramji	Tanzanian	10.78
Mehboob Ramji	Tanzanian	3.77
Avelino Foundation	Swiss	10.0
Unalotted shares		60.0
2. Proposed Activities: To establish and operate a steel rolling mill plant
3. Sector: Manufacturing Subsector: Steel products producers
4. Investment cost: Foreign Tshs. 498m. Local Tshs. 478.9m. Total Tshs. 976.9m.
5. Project Financing: Equity Tshs. 493.3m. Loans Tshs. 483.6m. Total Tshs. 976.9m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>Tshs. 498m.</u>	<u>Tshs. 478.9m.</u>	<u>Tshs. 976.9m</u>
8. Technology Agreement None
9. Date of TIC Registration: 7th June 1993
10. Implementation period June 1993 - 31st March 1997
11. Operative date..... 1st April 1997
12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty EAC Customs management Act, 2004 and VAT Act, 2014
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv). Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this certificate

Signed 
Executive Director



IRON AND STEEL LIMITED

P.O.Box 20427, 33, Mikocheni Industrial Area, DAR ES SALAAM
Telephone: Office/Factory (+255 - 22) 2700360 / 2700361
Email: isltz.dar@gmail.com

6

The Executive Director TIC,
P. O. BOX 938,
Dar es Salaam.



05th Oct 2020

Dear Sir/Madam,

RE: **APPLICATION FOR AMENDMENT OF CERTIFICATE OF INCENTIVE NO. 0223573 OF 12TH APRIL 2018 IN FAVOUR OF 'IRON AND STEEL LIMITED'.**

Above headline refers

We wish to draw your attention to above Company's Certificate of Incentive, which need to be amended due to addition of **Mr. Shamir Ramji** in the capacity of Share Holder.

We humbly apply for an amended Certificate, to enable us advance in implementation of the current Projects.

Shipment of Capital goods is underway from overseas and therefore amendment of Incentive Certificate is of Primary concern.

We have an Office with square meter 20,000 Workshop, Admin Block & Parking area square meter 6,943 which give total of 26943 square meters at plot no.33 situated along Mikocheni Industrial Area, ITV Road, Mwenge, Dar es Salaam.

We are yet to complete another development phase which is currently in progress, and hence achieve goals which have been set down before by the Management.

By this letter, we also surrender, Original CERTIFICATE OF INCENTIVE NO. 0223573 issued on 12TH April 2018 in FAVOUR OF 'IRON AND STEEL LTD'

We shall be grateful if our request will be considered favorably at the earliest.

Yours Sincerely
For and on behalf of
IRON AND STEEL LTD

Shamir Ramji
CEO



1

0715 909122



Tanzania Investment Centre
Exchequer Receipt
Stakabadhi ya Malipo ya Serikali
: EC100713039437



Receipt No :
Received from : **IRON AND STEEL LTD**
Amount : **1000.0**
Amount in Words : **One Thousand United States Dollar Only**
In respect of : **Certificate Of Incentives for IRON AND STEEL LTD**
Bill Description : **Certificate Of Incentives for IRON AND STEEL LTD**
Bill Reference : **BL-COI-1602075540977**
Payment Control Number : **995360011315**
Payment Date : **2020-10-08 11:59:13**
Issued by : **MUHAMMAD RASHID**
Date Issued : **2020-10-08 11:59:13**
Signature : _____

*For Executive Director
Tanzania Investment Centre*



THE UNITED REPUBLIC OF TANZANIA

0223573

Certificate of Incentives

THIS CERTIFICATE
 REPLACE THE PREVIOUS (Section 17 of the Tanzania Investment Act, 1997) AMENDMENT ON SECTION
 ONE NO. 042189 1 HAS BEEN EFFECTED
 ISSUED ON 21/08/2000 No: 042189

Blank This is to certify that *Blank*

IRON AND STEEL LIMITED

P.O. BOX 20427
 of address.....

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has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation~~ ~~expansion~~
~~or equity~~ of the enterprise known as

IRON AND STEEL LIMITED

Which is located at PLOT NO. 33, MIKOCHENI INDUSTRIAL AREA

DAR ES SALAAM

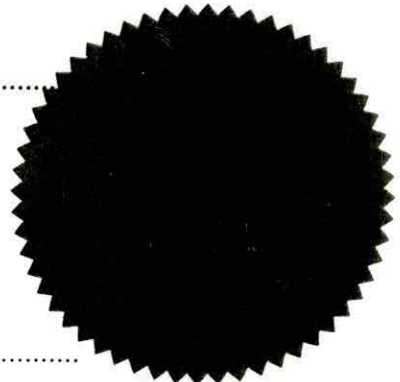
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Blank

Executive Director

Tanzania Investment Centre
 P.O.Box 938, Dar es Salaam

Dated 12TH APRIL 2018



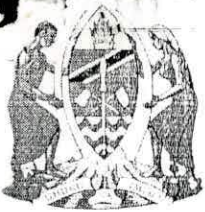
This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

1. Shareholders

Shareholders	Nationality	Shareholding (%)
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6. Source, terms and conditions of loan.
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Capital items:	Foreign	Local	Total
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10. Implementation period: June 1993 - 31st March 1997
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12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty: EAC Customs management Act, 2004 and VAT Act, 2014
 - (ii) Applicable with-holding Tax: As per Income Tax Act, 2004 (as amended)
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13. Protection of Investment, Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.
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 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre
15. Additional conditions attached to Certificate: Finished goods are not allowed under this certificate

Signed 
Executive Director



TANZANIA

BRELA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

Register of Companies Detailed information

Information date and time: 29/09/2020 13:47:42

Last update date and time: 28/09/2020 10:52:00

Registration date and time: 23/12/1992 00:00:00

1. Status: Registered
2. Incorporation number: 22272
3. Company: **IRON AND STEEL LIMITED**
4. Company type: Private company Limited by shares
5. Registered office: Region Dar Es Salaam, District Kinondoni, Ward Mikochehi, Postal code 14112, Plot No: 33, Mikochehi Light Industrial Area – Dar-es-salaam
6. Contacts: Email: isltz.dar@gmail.com, Mob no/Tel no: 0622192153, P.O.Box 20427
7. Business activity: 2410 - Manufacture of basic iron and steel
8. Directors / Directors in the country of origin: AMIN MOHAMED JAFFERALI RAMJI MADHANI, Tanzania
ABDULAZIZ LALANI, Kenyan
SHAMIR RAMJI, Canadian
9. Company secretary / Company secretary in the country of origin: SAJI OONNUKALLIL GANGADHARAN, Indian
10. Authorised share capital: 5000000000 TZS
11. Class of shares: Class Ordinary: 5000000 shares, 1000 TZS/share, 5000000000 TZS
12. Shareholders: Shiraz Badrudin Shariff Class Ordinary 01 shares taken
Bismarck Investors Limited Class Ordinary 772,599 shares taken
AMIN MOHAMED JAFFERALI RAMJI MADHANI Class Ordinary 538,911 shares taken
MAHEBOOB JAFFERALI RAMJI MADHANI Class Ordinary 188,498 shares taken
Avelino Investors Limited Class Ordinary 500,000 shares taken
SHAMIR RAMJI Class Ordinary 60,000 shares taken

Information ordered by: KAILAS BHATTBHATT

NOTE. Information printed from the Register of Company is true and complete as per extract generation date and time. Please be advised to refer to the Online Registration System at BRELA (ors.brela.go.tz) for an up-to-date information regarding given Company.





Princ. Asst. Registrar of Companies





IRON AND STEEL LIMITED

P.O.Box 20427, 33, Mikocheni Industrial Area, DAR ES SALAAM
Telephone: Office/Factory (+255 - 22) 2700360 / 2700361
Email: isltz.dar@gmail.com

TANZANIA INVESTMENT CENTRE
DAR ES SALAAM

PROGRESS REPORT

(Information required for the project's progress report after every six Months or for amendment of Certificate of Incentives)

1. Planned Activities for the period

We have managed to improve in the business and have been able to provide services mainly within Tanzania. We have been able to work within the network in the Country especially in utilizing their infrastructure efficiently. We have remitted to the Government revenue through Corporation Tax, VAT, PAYE, Skill and Development levies.

2. Achievements made on the project implementation to date

'IRON AND STEEL LTD', is among group of Companies in East Africa which in also succeeded in completion of Rougher Mill, with stands, Gear Boxes, Fly Wheel, Rolls, main and Auxiliary Motors, Conveyers and running Spares projects

3. Updated information on the following aspects;

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	SHIRAZ SHARIF (Tanzanian - No. of Shares - 1) Amin Mohammad Jefferali Ramji Madhani (Tanzanian - No. of Shares - 538,911) Mehboob Jefferali Ramji Madhani (Tanzanian - No. if Shares - 188,489),



			Avelino Foundation - (Swiss - No. of shares - 500,000), Bismark Investors Ltd - (British Vergin Island - No. of Shares - 772,599) Shamir Ramji - (Canadian - No. of Shares - 60,000) Un allotted (shares - 2,940,000)
2.	Company Communication information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Regional	<u>Isltz.dar@gmail.com</u> 0754 685 788 2700361 P.O.Box 20427, 33 I T V Road Mikocheni, D'Salaam, Tanzania
3.	Contact Person	Name Position Communication Details (Email, Mobile and telephone)	SAIJI OONNUKALLIL GANGA DHARAN COMPANY SECRETARY 0784 685 788
4.	Incorporation	Certificate of Incorporation	22272
5.	TIN information	TIN Certificate No.	100-142-643
6.	Project Objective	Project Core Activity	MANUFACTURING & SELLING OF IRON BARS
7.	Capacity	Project Capacity per Year	36,000 TONS
8.	Direct Employment	Foreign - Men Foreign - Women Local - Men Local - Women	13 nil 172 Nil
9.	Indirect Employment	Estimate Total No. Types/Areas of Indirect Employment	1000 Due to Purchase of Local Material, Traders, Construction Sites, Loading and Off Loading and Transport



4. Project Financial Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and building	NA	35,000	35,000
Plant and Machinery	NA	65,000	65,000
Vehicles/Aircraft	NA	-	-
Furniture	NA	-	-
Office Equipment	NA	-	-
Insurance Cover	NA		
Pre-operational expenses	NA	10,000	10,000
Working sub-total capital	NA		
GRAND TOTAL	NA	110,000	110,000

5. Project Financing

The Project is mainly financed by Financing Bank based in Dar es Salaam known as **DIAMOND TRUST BANK (T) LTD.**

Within the Country we are financed by Banks known as **Diamond Trust Bank (T) Ltd** and **security** of which we are required to surrender our Certificate of Title as 'Loan Security' to them.

It is our sincere hope that with much needed assistance which you tirelessly continue to provide to us, we shall reach targets and goals in order to fulfill the aim of our Government's good intention towards Investors' Scheme.

	Amount (USD)	Source Country
Local Equity	493.3M	Tanzania
Local Loans	483.6M	Tanzania
Foreign Equity	0.60M	Canadian
Foreign Loans		
Total Investment	977.5M	



6. Problems and Solutions

Problems

During the initial stage of our Project, our business suffered a lot on implementation.

This is because we had no enough Materials to compete in the industry, as a results there was a declined in realization of Contracts, incoming funds was lowest on records compared to amount spent at that time and therefore business rotation was not favoring our side.

Competition was very high, which caused most of us to temporarily squeeze out of the business and gave way to the Stronger Members within the Industry.

Solutions

- Purchase of more Materials / capital goods to compete with other Manufacturers.
- Training of Senior Staff and the Operation Team at large on how to handle the Materials and hence Products, especially at the time before and after the production process
- Improving Yard Security System and Installation of good Alarm System and CCTV to curtail theft issues.
- Learning from other Manufactures and gain experience to stay comfortably from day to day business challenges

7. Future Plan

The Company near future project will be mainly on new pouring and Molding System to reduce wastage, improve billet quality and size. Civil Works and Others Expenses for the above ground level foundation, Additional sheds, high-pressure water systems, electrical supply/panel and so forth.

8. Recommendation and any other comments

Matrix of Exemption

We have benefit on the following: -

- a) Exemption on the Import duties for the Materials imported from overseas, this is around **Tshs100m/-**.



- b) Cash flow, the deferment of the corporate tax through benefit of the claiming the capital allowance.

Conclusion

The investment which 'IRON AND STEEL LTD' will increase the Government revenue through Corporation Tax, VAT and PAYE levies. It will also give job opportunity to local Tanzanians.

Anticipating for a favorable reply, we remain.

Yours Sincerely
For and on behalf of
IRON AND STEEL LTD

Shamir Ramji
CEO





THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

(Offices: Co-operative Building Lumumba Street)

Telephone: +255 22 2180139

Fax: +255 22 2180371

Email: usajili@brela.co.tz

Website: www.brela.go.tz

*(All official communications should be addressed
to the Chief Executive Officer not to individuals)*

In reply please quote:

Ref: No.MIT/RC/22272/48

P.O.Box 9393

DARES SALAAM

09th April, 2018

Nelly Kaisi,

RE : THE COMPANIES ACT, 2002
: IRON & STEEL LIMITED

THIS LETTER AMENDS THE LETTER WRITTEN ON 06TH APRIL, 2018.

1. Company Name :
IRON & STEEL LIMITED
2. Corporate Number :
22272
3. Date of Incorporation :
23rd December 1992
4. Share Capital :
Tshs. 5,000,000,000/=divided into 5,000,000shares of Tshs 1,000/= each.
5. Company Secretary :
NOT LEGALLY APPOINTED
6. Principal Place of Business :
Plot No 33, Mikocheni Industrial Area, Dar es Salaam



7. Directors :

- i) Amin Mohamed Ramji (Tanzanian)
- ii) Abdulaziz Lalani (Kenyan).
- iii) Shamir Ramji (Canadian)

8. Annual Return Filed :

Up to the year 2017

9. Shareholders :

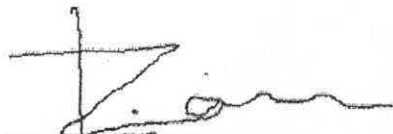
- i) Shiraz Shariff (1 share)
- ii) Bismarck Investors Limited (772,599 shares)
- iii) Amin Ramji (538,911 shares)
- iv) Mehboob Ramji (188,489 shares)
- v) Avelino Foundation (500,000 shares)

10. Number of Shares :

5,000,000 Shares

NOTE:

THE ANNUAL RETURN FORMS SUBMITTED ARE NOT REGISTERED DUE TO ANOMALIES SUCH AS:
- INDICATION OF A COMPANY SECRETARY WHO IS NOT LEGALLY APPOINTED AS FROM 2006.



Leticia Zavu

FOR REGISTRAR OF COMPANIES



TANZANIA



Certificate of Incorporation

No. 22272

I HEREBY CERTIFY THAT

IRON AND STEEL

..... Limited
is this day incorporated under the Companies
Ordinance (Cap. 212) and that the Company
is Limited.

Given under my hand at Dar es Salaam
this 23rd day of December,

One thousand nine hundred and Ninety Two.

Asst.

Registrar of Companies



THE UNITED REPUBLIC OF TANZANIA

BUSINESS LICENCE

B.L. No: 20000008176

The Business Licensing Act No. 25 of 1972 (R.E. 2002)

1. Issuing Office: **BUSINESS REGISTRATIONS AND LICENSING AGENCY**
2. Tax Identification No: **100-142-643**
3. License Issued to: **IRON AND STEEL LIMITED** for the Business of: **Manufacturing of Iron Sheets and Bars**
4. Business Location
Region: **Dar Es Salaam**
District: **Kinondoni Municipal Council**
Ward: **MIKOCHENI**
Street: **Light Industrial Area**
5. Principal / Branch: **Principal**
6. Amount of fee paid: **TZS 600000** Receipt No: **1349985** on: **29/07/2020**
7. New/ Renewal of Licence No: Dated:
8. Date of Issue: **29/07/2020** Expiring Date: **29/07/2021**



This digital copy does not require a signature authority

NOTE - This licence must be kept in a conspicuous position at the place of business. Any change in the particulars originally registered must be notified to the Licence Issuer.

IRON AND STEEL LIMITED

October 29th, 2019

Viju Cherian
Country Manager and CEO
Diamond Trust Bank Tanzania Ltd.
Head Office, 901 Harbour View Towers,
Samora Avenue, PO Box 115, Dar es Salaam, Tanzania



CC: Madhava Murthy, Chief Operating Officer
CC: Betty Rupia, Head of Corporate Banking

RE: REQUEST FOR ADDITIONAL FACILITIES TO FINANCE PLANT AND MACHINERY IMPROVEMENTS

Dear Mr. Cherian,

We would like to extend our appreciation to DTB Bank for all the good service and support extended to our group company. Iron and Steel Ltd. is extremely satisfied and we admire the strength, structure, and quick decision-making abilities of DTB Bank.

Although our business operations are running smoothly, they are doing so at a slower pace than we would like due to the current economic environment. To remain competitive today, it boils down to production cost minimization, efficiencies and automation, and economies of scale. We are in the process of revamping key areas of our technology in light of recent advancements in engineering, and we now need to update some of our machinery that in the very near future may render as ineffective.

The planned CapEx to implement this entire overhaul exercise (**'Upgrade Master Plan'**) would be deployed over the next 24 months, and would require a total of **TZS 4.5 Billion** in additional funding. This will be a combination of advanced machinery importation and its associated civil works, which will be done in stages at different intervals in time.

For the **First Stage** (which will be initiated in the coming weeks) we are requesting a **New Term Loan of TZS 1.2 Billion over a 60-month tenor (with a 12-month grace on principal)**. This stage would entail the following:

1) Furnace Section:

- a. New Pouring and Molding System, to reduce wastage, improve billet quality and size, and reduce labor expenses

P.O. Box 20427, 33 Mikocheni Industrial Area, Dar-es-Salaam, Tanzania
Tel: +255-22-270-0360; Fax: +255-22-270-0361; E-Mail: isltz.dar@gmail.com

IRON AND STEEL LIMITED

- b. Civil Works and Other Expenses for the above: Foundation structure, shed expansion, water systems, electrical power supply/panels, etc.

2) Rolling Mill:

- a. New Complete 20" Rougher Mill, with stands, gearboxes, flywheel, rolls, main and auxiliary motors, conveyors, and running spares
- b. New High-Speed/High-Efficiency 1000/1400HP Main Motor for existing 8.5" intermediate rolling mill to increase the RPM (revolutions per minute) by 20% and also reduce per kWh power cost
- c. Brand New Cooling Bed with conveyors, automatic material handling/cutting and TMT System to produce BS500 grade steel bars
- d. Civil Works and Other Expenses for the above: Ground level foundations, additional sheds, high-pressure water systems, electrical supply/panels, etc.

Once the First Stage has been implemented successfully in the First Half of 2020, we shall submit another funding request for additional equipment required to upgrade other sections, all falling into the total funding limit requested under the Upgrade Master Plan.

We hope you will consider our request favorably and we thank DTB Bank for their continued support.

Yours faithfully,


SHAMIR RAMANI
CEO



P.O. Box 20427, 33 Mikocheni Industrial Area, Dar-es-Salaam, Tanzania
Tel: +255-22-270-0360; Fax: +255-22-270-0361; E-Mail: isltz.dar@gmail.com

COMPANY NAME: IRON AND STEEL LTD
ADDRESS: P.O.BOX: 20427, 33, I T V ROAD
MIKOCHENI, DAR ES SALAAM
TANZANIA.

COI NUMBER: 0223573

AUTHORISED SHARES

5,000,000

PART - I

CURRENT SHARE HOLDING PATTERN AS PER SECTION - 1 OF CERTIFICATE OF INCENTIVES

S. NO	NAME OF THE SHARE HOLDER	NATIONALITY	NO. OF SHARES	PERCENTAGE
1	SHIRAZ SHARIF	TANZANIAN	1	0.00
2	AMIN MOHAMED JAFFERALI RAMJI MADHANI	TANZANIAN	538911	10.78
3	MEHBOOB JAFFERALI RAMJI MADHANI	TANZANIAN	188489	3.77
4	AVELINO FOUNDATION	SWISS	500000	10.00
5	BISMARCK INVESTORS LTD	BRITISH VERGIN ISLAND	772599	15.45
6	UN ALLOTTED SHARES	NONE	3000000	60.00
	TOTAL SHARES		5000000	100.00

PART - II

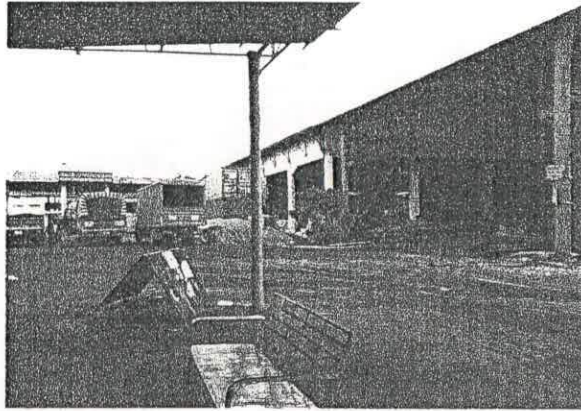
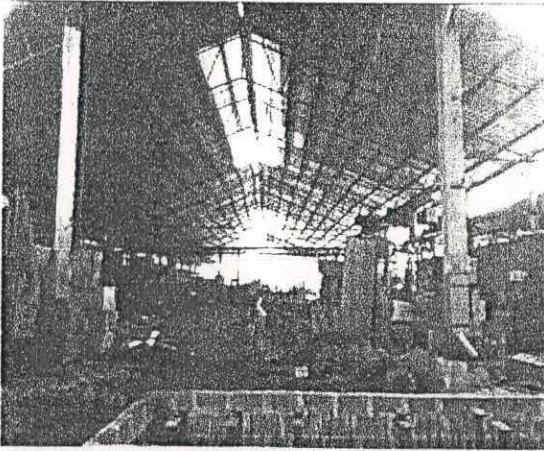
PROPOSED AMENDMENT OF SECTION 1 OF CERTIFICATE OF INCENTIVES

S. NO	NAME OF THE SHARE HOLDER	NATIONALITY	NO. OF SHARES	PERCENTAGE
1	SHIRAZ SHARIF	TANZANIAN	1	0.00
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3	MEHBOOB JAFFERALI RAMJI MADHANI	TANZANIAN	188489	3.77
4	AVELINO FOUNDATION	SWISS	500000	10.00
5	BISMARCK INVESTORS LTD	BRITISH VERGIN ISLAND	772599	15.45
6	SHAMIR RAMJI	CANADIAN	60000	1.20
7	UN ALLOTTED SHARES	NONE	2940000	58.80
	TOTAL SHARES		5000000	100



SELECTED PHOTOS

FACTORY COMPLEX



Material Godown

Office Block



CTIN: 0052135



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 23 OF THE TAX ADMINISTRATION ACT 2015)

THIS IS TO CERTIFY THAT

IRON AND STEEL LTD.

HAS BEEN REGISTERED WITH THE TANZANIA REVENUE AUTHORITY
AND ASSIGNED THE TAXPAYER IDENTIFICATION NUMBER

100-142-643

WITH EFFECT FROM: **01 July 1999**

TRA LOCATION: **LARGE TAXPAYERS DEPT** TAX OFFICE: **LTD CENTRAL**

PHYSICAL LOCATION: **PLOT No. 33**

STREET / AREA: **MOKOCHENI INDUSTRIAL AREA**

ELIJAH G. MWANDUMBYA

COMMISSIONER FOR DOMESTIC REVENUE

OFFICIAL SEAL

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVER LEAF



THE UNITED REPUBLIC OF TANZANIA

0223573

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: **042189**

This is to certify that

IRON AND STEEL LIMITED

of address

P.O.BOX 20427

DAR-ES-SALAAM

has been granted a Certificate of Incentives to Invest in a new investment project. This Certificate replaces the previous one No.042189 issued on 12/04/2018 due to amendment on section 1

PROJECT NAME - IRON AND STEEL

Which is located at

PLOT NO. 33 - MIKOCHENI INDUSTRIAL AREA

KINONDONI-DAR-ES-SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf

Executive Director

**Tanzania Investment Centre
P.O.Box 938 , Dar-es-salaam**



Dated: **2 November, 2020**

This Certificate is issued in accordance with the provision of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

1	Shareholders	Nationality	Shareholding (%)
	Shiraz Badrudin Shariff	Tanzania	0.0002
	Bismarck Investors Limited	British Virgin Islands	15.4519
	Amin Mohamed J. R. Madhani	Tanzania	10.7782
	Maheboob Jafferli Ranji Madhani	Tanzania	3.7699
	Avelino Investors Limited	Switzerland	10
	Shamir Ramji	Canada	1.2
	Un allotted	Tanzania	58.7998
2	Proposed Activities: <i>To expand manufacturing facilities for for all types of high tensile and mild steel Bars</i>		
3	Sector Manufacturing	Sub Sector Iron and Steel	
4	Investment Cost	Foreign (M\$) 498	Local (M\$) 478.9 Total (M\$) 976.9
5	Project Financing	Equity (M\$) 976.9	Loan (M\$) 0 Total (M\$) 976.9
6	Source, terms and conditions of loan	None	
7	Assets to be Invested	Foreign (M\$)	Local (M\$) Total (M\$)
	Capital items:	498	478.9 976.9
8	Technology Agreement	None	
9	Date of TIC Registration	14 March, 2012	
10	Implementation period	14 March, 2012	- 13 March, 2015
11	Operative date	13 March, 2015	
12	Investment Incentive Grade : As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997		
	(i) Applicable Import Duty	EAC Customs Management Act, 2004 and VAT Act, 2014	
	(ii) Applicable with-holding Tax	As per Income Tax Act, 2004 (as amended)	
	(iii) Eligibility of Capital Allowances	As per Income Tax Act, 2004 (as amended)	
13	Protection of Investment, Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.		
14	Conditions attached to this Certificate of Incentives		
	(i)	Date of Commencement of investment has to be notified to the Centre	
	(ii)	Certificate not to be transferred, assigned or amended	
	(iii)	Failure to commence implementation within two years invalidates Certificate	
	(iv)	Failure to operate investment must be notified to the Centre	
	(v)	Changes in shareholding, project activities and level of invested capital must be notified to the Centre	
15	Additional conditions attached to Certificate		
	Finished goods are not allowed under this Certificate		



Signed _____
Executive Director

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM
PROGRESS REPORT**

Information required for the project's progress report after every six months or for Certificate extension purpose

1. Planned Activities for the period

Describe planned activities and achievements made on the project implementation with capital expenditure to date (i.e. from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

2. Project Financial Expenditure todate:

	Foreign	Local	Total
Land and Buildings			
Plant and machinery			
Vehicles/Aircrafts			
Furniture			
Office equipment			
Insurance Cover			
Pre-operational expenses			
Working sub-total capital			
GRAND TOTAL			

*Annual Financial
Statement of 2016
Attached.*

3. Project Financing

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc.

4. Problems and Solution

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them.

NB. For certificate of incentive extension purpose, indicate major reasons/problems that contributed into delay of project implementation period

5. Future Plans

Explain future plans for the next coming six months in terms of planned activities, financial commitments and implementation schedule of these activities

- NB. For certificate of incentive extension purpose, give details of activities, implementation schedule and capital expenditure required for the remaining portion of the project

6. Recommendations/Comments





BAKER TILLY
DGP & CO
Certified Public Accountants

IRON & STEEL LIMITED
P. O. Box 20427,
Dar es Salaam,
Annual Report 2016



an independent member of
BAKER TILLY
INTERNATIONAL

IRON & STEEL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

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4	Independent Auditor's Report	7 & 8
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6	Statement of Financial Position	10
7	Statement of Changes in Equity	11
8	Statement of Cash Flows	12
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10	Notes to the Financial Statements	17 to 21

IRON & STEEL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

CORPORATE INFORMATION

Board of Directors

<u>Name</u>	<u>Nationality</u>
Mr. Amin Mohamed Ramji	Tanzanian
Mr. Abdulaziz Lalani	Kenyan

Registered Office of the Company

Plot No. 33, Mikocheni Light Industrial Area,
P.O. Box 20427,
Dar Es Salaam
Tanzania

Auditors

Baker Tilly DGP & Co.,
Certified Public Accountants
P. O. Box 1314,
Dar Es Salaam
Tanzania

Company Secretary

Baker Tilly DGP & Co.,
P. O. Box 1314,
Dar Es Salaam
Tanzania

Bankers

Bank M (T) Limited
Exim Bank (T) Limited
NBC Limited

**IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS REPORT
FOR THE YEAR ENDED 31ST DECMEBER 2016**

The Members,

Your directors' have pleasure in presenting their report along with the Audited Financial Statements for the financial year ended on 31st December 2016, which disclose the State of Affairs of your company.

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is Steel & Iron Bar Manufacturers.

2. COMPOSITION OF THE BOARD OF DIRECTORS

The directors of company at the date of this report and who served the company during the financial year 2016, except otherwise stated are:-

Name	Position	Nationality
Mr. Amin Mohamed Ramji	Director	Tanzanian
Mr. Abdulaziz Lalani	Director	Kenyan

The directors' having an interest in the company to the extent are given under the heading 'Capital Structure'. The interest was fully disclosed at the board meetings.

3. CAPITAL STRUCTURE & SHAREHOLDING OF THE COMPANY

As at 31st December 2016, the paid up capital of the company consists of 2,000,000 ordinary shares of Tzs 1,000/- each and were held by the following shareholders:-

Name of Shareholder	No. of ordinary shares
Mr. Shiraz Shariff	01
M/s. Bismark Investors Limited, B.V.I.	772,599
Mr. Amin Mohamed Ramji	363,700
Mr. Mehboob Ramji	363,700
M/s. Avelino Foundation	500,000
Total	2,000,000

4. CORPORATE GOVERNANCE

The Board of Directors consists of two directors. All of the directors are involved in day to day operations of the company. The Board takes overall responsibility for the Company, including responsibility of identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is meeting at regular intervals. The Board delegates the day to day management of the business to the Managing Director, the Director and the senior management. Senior management is invited to attend the board and management meetings and facilitates the effective control of all the Company's operational activities, as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance.

The directors also recognize the importance of integrity, transparency and accountability.

**IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS REPORT
FOR THE YEAR ENDED 31ST DECMEBER 2016**

5. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operations control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:-

- The efficiency and effectiveness of operations;
- The safeguarding of Company's Assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's internal control system is designed to provide the Board with reasonable assurance that the procedures in place are operating efficiently.

The Board assessed the internal control systems throughout the financial year ended 31st December 2016 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Board Meetings and Management meetings, on regular basis.

6. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on going concern basis. The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

7. OPERATING RESULTS

The financial results for the period ending 31st December 2016 are set out in the financial statements enclosed at Page 9 to 12.

8. RELATED PARTY TRANSACTIONS

All Related Party Transactions were made at an arm's length price.

9. DIVIDENDS

The directors do not propose any dividends for the year.

10. DIRECTORS RESPONSIBILITIES

As directors, it is our responsibility to prepare the financial statements for each financial year that gives a true and fair view of the state of affairs of the company at the end of the financial year. We are also responsible for the keeping proper accounting records in line with the provisions of the Companies Act for taking reasonable steps to safeguard the assets of the Company, to prevent, detect fraud and other irregularities.

We confirm that suitable accounting policies have been adopted and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial

**IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS REPORT
FOR THE YEAR ENDED 31ST DECMEBER 2016**

statements for the year ended on 31st December 2016. We also confirm that the applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

11. AUDITORS

M/s. Baker Tilly DGP & Co. has expressed their willingness to continue in office and are eligible for re-appointment.

12. ACKNOWLEDGEMENTS

Your directors wish to place on records, their sincere thanks and deep sense of appreciation for the overwhelming co-operation and assistance received from the Government of Tanzania, the Tanzania Revenue Authority, Tanzania Port Authority, various other Government and Semi Government organizations, the bankers of the company and last but not the least the employees of the company. The management looks forward for the continued support from all for the coming future.

BY ORDER OF THE BOARD

Director



Director



Place: Dar es Salaam

Date: 21 JUN 2017

**IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2016

STATEMENT OF DIRECTOR'S RESPONSIBILITY

The Directors are required under the Companies Act supplemented by International Financial Reporting Standards, to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. The auditors are responsible for reporting on these financial statements.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31st December 2016. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2002. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for prevention and detection of fraud or other irregularities.

No matters have come to the attention of Directors to indicate that the company will not remain a going concern for at least the ensuing financial year.

Approved by the Board of Directors and signed on its behalf by:-



DIRECTOR



DIRECTOR

PLACE: DAR-ES-SALAAM

DATE: 21 JUN 2017

IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

DECLARATION OF THE HEAD OF ACCOUNTING AND FINANCE

The National Board of Accountants and Auditors (NBAA) according to power conferred under the Auditors and Accountants (Registration) Act 33 of 1972, as amended by Act No. 2 of 1995, require financial statements to be accompanied with a declaration issued by the Head of Finance / Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors / Governing Body / Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors / Governing Body as under Directors Responsibility statement on an earlier page.

I, CPA ALLEN M WILIBOD hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2016 have been prepared in compliance with the applicable accounting standard and statutory requirements. I thus confirm that the financial statements give a true and fair view position of the Iron and Steel Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed: Allen M Wilibod
NBAA Membership No.: GA 3210
Date: 21/6/2017



BAKER TILLY DGP & CO

Certified Public Accountants

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P. O. Box - 1314, Dar es Salaam
Tanzania

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRON AND STEEL LIMITED

Opinion

We have audited the financial statements of Iron and Steel Limited, which comprise the Statement of Financial Position as at 31st December 2016, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2016 and its results and cash flows for the year then ended in accordance with generally accepted accounting principles and the requirements of the Companies Act 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with The National Board of Accountants and Auditors (Code of Ethics) By - Laws, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the fact that inventories as at 31st December, 2016 have been verified and valued by the management and the management confirms continued existence and usage of the assets. The confirmation of balances for debtors and creditors were not availed to us for our verification and financial performance and its cash flows for the year then ended is not in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 2002.

Other information

The directors are responsible for the other information. The other information comprises the Director's Report as required by the Companies Act, 2002, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise

Partners:

K. S. Bhattbhatt (Tanzanian)
Kailas K. Bhattbhatt (Tanzanian)
Vishwanshu H. Trivedi (Indian)

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the directors.

Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Companies Act, 2002, we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii) the director's report is consistent with the financial statements;
- iv) information specified by the law regarding director's remuneration and transactions with the Company is disclosed; and
- v) the Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,



K. S. Bhattbhatt
Partner

Place : Dar es Salaam
Date : 22 JUN 2017

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam


**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2016**

PARTICULARS	NOTE	2016 Tzs	2015 Tzs
Revenue		10,071,096,860	8,773,641,222
Cost of sales			
Opening stock of finished goods		1,603,710,103	1,495,793,010
Add: Cost of goods manufactured	3	8,508,297,463	6,239,671,093
Less: Closing stock of finished goods		<u>(1,301,146,394)</u>	<u>(1,603,710,103)</u>
		8,810,861,173	6,131,754,000
Less: Purchase of iron bars		-	1,327,887,141
Gross profit		1,260,235,688	1,314,000,082
Other income	4	<u>-</u>	<u>151,086,070</u>
		1,260,235,688	1,465,086,152
<u>Less: Expenses</u>			
Administrative expenses	5	(450,137,429)	(383,312,599)
Selling and distribution expenses	6	(37,545,812)	(39,513,424)
Financial expenses	7	<u>(915,992,176)</u>	<u>(1,186,506,770)</u>
		(1,403,675,417)	(1,609,332,793)
Profit / (Loss) before tax		(143,439,729)	(144,246,641)
Less: Tax expense / credit	16	<u>(34,434,282)</u>	<u>(44,812,094)</u>
Profit / (Loss) after tax		<u>(177,874,011)</u>	<u>(189,058,735)</u>


The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.

Report of the Independent Auditor's on page 7 & 8.

The financial statements on Pages 9 to 21 were approved by the Board of Directors and signed on behalf by:



Director
Dated: 21 JUN 2017



Director
Dated: 21 JUN 2017

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam


STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2016

PARTICULARS	NOTE	31st December 2016 Tzs	31st December 2015 Tzs
Non current assets			
Property, plant and equipment	17	4,652,519,058	5,339,461,021
		<u>4,652,519,058</u>	<u>5,339,461,021</u>
Current assets			
Inventories	8	7,533,329,628	5,742,352,022
Trade and other receivables	9	1,708,727,584	1,261,318,714
Cash and cash equivalents	10	133,242,170	135,540,806
Current tax	16	2,532,894	-
		<u>9,377,832,276</u>	<u>7,139,211,542</u>
Total assets		<u>14,030,351,334</u>	<u>12,478,672,563</u>
Equity			
Share capital	11	2,000,000,000	2,000,000,000
Revaluation reserve		2,545,404,789	2,767,136,990
Retained earnings		<u>(559,048,199)</u>	<u>(381,174,188)</u>
		3,986,356,590	4,385,962,802
Non current liabilities			
Borrowings	12	2,969,987,879	3,176,545,455
		<u>2,969,987,879</u>	<u>3,176,545,455</u>
Current liabilities			
Trade and other payables	13	4,522,407,842	2,727,051,527
Provisions	14	32,273,277	45,570,011
Bank overdraft	15	2,519,325,746	2,134,730,674
Current tax	16	-	8,812,094
		<u>7,074,006,865</u>	<u>4,916,164,306</u>
Total equity and liabilities		<u>14,030,351,334</u>	<u>12,478,672,562</u>

The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.

Report of the Independent Auditor's on page 7 & 8.

The financial statements on Pages 9 to 21 were approved by the Board of Directors and signed on behalf by:



Director
Dated: 21 JUN 2017



Director
Dated: 21 JUN 2017


STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2016

Particulars	Share capital	Revaluation reserve	Retained earnings	Total
	Tzs	Tzs	Tzs	Tzs
Year ended 31st December 2015				
As at start of the year	2,000,000,000	3,013,076,955	(130,304,238)	4,882,772,717
Revaluation increase/(decrease)	-	(245,939,965)	-	(245,939,965)
Assessment tax paid and prior year taxes	-	-	(61,811,215)	(61,811,215)
	<u>2,000,000,000</u>	<u>2,767,136,990</u>	<u>(192,115,453)</u>	<u>4,575,021,537</u>
Net profit / (loss)	-	-	(189,058,735)	(189,058,735)
At the end of the year	<u>2,000,000,000</u>	<u>2,767,136,990</u>	<u>(381,174,188)</u>	<u>4,385,962,802</u>
Year ended 31st December 2016				
As at start of the year	2,000,000,000	2,767,136,990	(381,174,187.73)	4,385,962,802
Revaluation increase/(decrease)	-	(221,732,201)	-	(221,732,201)
	<u>2,000,000,000</u>	<u>2,545,404,789</u>	<u>(381,174,188)</u>	<u>4,164,230,601</u>
Net profit / (loss)	-	-	(177,874,011)	(177,874,011)
At the end of the year	<u>2,000,000,000</u>	<u>2,545,404,789</u>	<u>(559,048,199)</u>	<u>3,986,356,590</u>

The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.

Report of the Independent Auditor's on page 7 & 8.

The financial statements on Pages 9 to 21 were approved by the Board of Directors and signed on behalf by:


Director
Dated: 21 JUN 2017


Director
Dated: 21 JUN 2017

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2016


PARTICULARS	2016 Tzs	2015 Tzs
<u>Cash flows from operating activities</u>		
Profit / (loss) before tax	(143,439,729)	(144,246,641)
<u>Adjustment for:</u>		
Depreciation and amortisation	512,814,856	612,395,413
Profit / loss on sale of fixed assets	-	(149,797,935)
	<u>369,375,127</u>	<u>318,350,837</u>
<u>Movements in working capital:</u>		
(Increase) / decrease in inventories	(1,790,977,606)	(974,794,290)
(Increase) / decrease in trade and other receivables	(447,408,870)	(586,175,116)
Increase / (decrease) in trade and other payables	<u>1,773,247,487</u>	<u>1,854,442,904</u>
Cash generated from operations	(95,763,862)	611,824,334
Less: Taxes paid	<u>(36,967,176)</u>	<u>(61,920,776)</u>
Net cash generated by operating activities (A)	(132,731,038)	549,903,558
<u>Cash flow from investing activities</u>		
Advance for Plant and quipment	-	1,745,750,911
Payments of purchase of property, plant and equipment	(47,605,094)	(503,527,279)
Proceed from disposal of property, plant and equipment	-	298,891,063
Net cash (used in) / generated by investing activities (B)	(47,605,094)	1,541,114,695
<u>Cash flow from financing activities</u>		
Increase/ (decrease) in bank overdraft	384,595,072	(263,920,279)
Proceed from borrowings	<u>(206,557,576)</u>	<u>(1,730,537,878)</u>
Net cash (used in) / generated by financing activities (C)	178,037,496	(1,994,458,157)
Net increase in cash and cash equivalentents (A+B+C)	(2,298,636)	96,560,095
Cash and cash equivalentents at the beginning of the year	<u>135,540,806</u>	<u>38,980,711</u>
Cash and cash equivalentents at the end of the year	<u>133,242,170</u>	<u>135,540,806</u>

The significant accounting policies on pages 13 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.

Report of the Independant Auditor's on page 7 & 8.

The financial statements on Pages 9 to 21 were approved by the Board of Directors and signed on behalf by:


Director
Dated: 21 JUN 2017


Director
Dated: 21 JUN 2017

**IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

1 GENERAL INFORMATION

Iron & Steel Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The principal activities of the company are disclosed in the Note 1 of the Directors Report.

2 BASIS OF ACCOUNTING

The company has not adopted the International Financial Reporting Standards for the preparation and presentation of its Financial Statements. In the circumstances, these Financial Statements have been prepared under the generally accepted accounting principles.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 The principal accounting policies adopted in the preparation of these financial statements are set out below.

A. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis.

These financial statements have been prepared under the historical cost convention. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Note 3.2

B. REVENUE RECOGNITION

Revenue is recognised when the goods are sold and is represented net of VAT.

C. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Income Statement.

**IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

D. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are shown initially at cost, less subsequent depreciation and impairment. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured.

The management, on the basis of the estimation, when felt necessary undertakes revaluation of the assets and where ever the market price exceeds the realizable value, the assets are stated at realizable value and a reserve is created by the name Revaluation Reserves. Depreciation on such value is charged to revaluation reserve by way of transfer in the Statement of changes in equity.

Depreciation is calculated using the written down value method to allocate the cost of each asset to its residual value over the estimated useful life as follows:

<u>Nature of Asset</u>	<u>Rate (%)</u>
	<u>Per annum</u>
Land & Factory Building	5.00%
Motor vehicles class II	25.00%
Motor vehicle class III	37.50%
Plant & Machinery	12.50%
Weigh Bridge	12.50%
Gas Cylinder Plant	12.50%
Furniture & Equipment - Factory	12.50%
Furniture & Equipment - Office	12.50%
Computers	37.50%

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the Income Statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Income Statement.

E. IMPAIRMENT OF ASSETS

At each balance sheet date, the company reviews the carrying amounts of its Property, Plant and Equipment and Investment Property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

F. OPERATING & FINANCE LEASES

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period.

Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

Residential premises lease is for a period of one year. The operating lease agreement requires advance payment for the entire period of lease.

G. INVENTORIES

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the FIFO method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

H. ACCOUNTS RECEIVABLE

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

I. CASH AND CASH EQUIVALENTS

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.

J. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period they accrue unless they can be related, with certainty, to fixed assets construction projects in which case they are capitalised as part of the asset's cost.

**IRON & STEEL LIMITED, P.O.BOX 20427, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

K. TAXATION

Income tax expense is the aggregate of the charge to the Income Statement in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

L. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributions to publicly administered pension plans (NSSF or PPF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

M. PROVISIONS

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

N. COMPARATIVE FIGURES

Previous year's figures have been regrouped wherever necessary in order to make them comparable with the current year's figures.

3.2 FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk etc. The Company's overall risk management programme seeks to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via strictly credit terms.

Foreign currency risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$")). In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$"). As a result, it is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. Occasionally, when considered prudent exposure to foreign currency risk is hedged, by forward contracts.

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	Tzs	Tzs
3 Cost of sales		
Opening stock of raw materials	2,288,879,818	1,770,915,477
Add: Purchases	6,144,970,043	3,067,268,339
Less: Closing stock of raw materials	<u>(3,173,194,457)</u>	<u>(2,288,879,818)</u>
Cost of material consumption	5,260,655,403	2,549,303,998
Add: Opening stock of work-in-progress	1,849,762,101	1,500,849,245
Add: Direct costs		
Salaries and wages - direct	372,674,556	164,636,257
Depreciation	502,673,237	601,576,608
Factory expenses	202,331,748	193,067,626
Insurance - direct	39,595,992	23,714,539
Electricity and water expenses	3,267,706,728	2,940,624,921
Other direct cost	71,886,475	115,660,000
	<u>4,456,868,736</u>	<u>4,039,279,951</u>
Less: Work-in-progress	<u>(3,058,988,777)</u>	<u>(1,849,762,101)</u>
Total cost of sales	<u>8,508,297,463</u>	<u>6,239,671,093</u>
4 Other income		
Other income	-	1,288,135
Profit on sale of fixed assets	-	149,797,935
Total	-	<u>151,086,070</u>
5 Administrative expenses		
Audit fees	10,092,000	10,500,000
Salaries and wages - Admin	41,236,706	26,723,894
Depreciation	10,141,619	10,818,805
Director's remuneration and fees	93,270,000	84,000,000
Water expenses	84,746	2,850,456
Fuel and vehicle expenses	49,241,245	34,719,992
Dues, rates, fees and license charges	23,529,628	33,216,597
NSSF / PPF contribution - Admin	48,284,126	25,038,332
Rent - others	6,412,434	34,247,562
Professional and legal fees	23,260,060	19,828,000
Repairs and maintenance - Indirect	101,940,477	76,319,829
SDL cost	29,712,588	14,758,226
Telephone expenses	6,928,079	7,390,048
Miscellaneous expenses	1,192,221	1,177,733
Workers compensation fund	4,811,500	1,723,126
Total	<u>450,137,429</u>	<u>383,312,599</u>

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	Tzs	Tzs
6 Selling and distribution expenses		
City service levy charges	30,846,812	26,320,924
Travelling expenses	6,699,000	13,192,500
Total	37,545,812	39,513,424
7 Financial expenses		
Bank charges	98,066,203	43,125,859
Interest on loan from banks	817,925,973	1,143,380,911
Total	915,992,176	1,186,506,770
8 Inventories		
Closing stock of raw materials	3,173,194,457	2,288,879,818
Closing stock of work-in-progress	3,058,988,777	1,849,762,101
Closing stock of finished goods	1,301,146,394	1,603,710,103
Total	7,533,329,628	5,742,352,022
9 Trade and other receivables		
Advance to suppliers	269,946,596	1,409,180
Security deposit	4,802,209	4,952,208
Prepaid expenses	4,598,559	3,382,812
Short term advances to others	2,638,218	1,255,872
Trade debtors	1,298,571,328	1,250,318,642
VAT receivable	128,170,674	-
Total	1,708,727,584	1,261,318,714
10 Cash and cash equivalents		
Cash in hand	114,534,975	81,021,372
Cash at banks	18,707,195	54,519,434
Total	133,242,170	135,540,806
11 Share capital		
<u>Authorised capital</u>		
5,000,000 shares of Tzs 1,000/- each	5,000,000,000	5,000,000,000
<u>Issued and paid up share capital</u>		
2,000,000 shares of Tzs 1,000 /- each	2,000,000,000	2,000,000,000
Total	2,000,000,000	2,000,000,000

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	Tzs	Tzs
12 Borrowings		
Non current - Unsecured		
Long term loan from banks	2,969,987,879	3,176,545,455
	<u>2,969,987,879</u>	<u>3,176,545,455</u>
Security details:		
1. First Legal Mortgage over land and Building on Plot No .33, Mikocheni Ligh Industrial Area, Dar es Salaam, with certificate of title no 23998, registered in the name of Iron and Steel Limited.		
2. Debenture charge over all fixed and floating assets of the company.		
3. Corporate Guarantee of Nyakato Steel Mills Limited		
4. Personal Guarantee of Amin Ramji, Abdul Aziz Lalani and Mehboob Ramji		
13 Trade and other payables		
Trade creditors	1,453,186,043	562,470,065
Other payables	29,331,461	17,414,254
VAT payable	-	37,080,303
Assessment tax payable	-	37,874,608
Due to associate companies and related parties	3,038,416,751	2,071,953,681
Withholding tax payable	1,473,587	258,616
	<u>4,522,407,842</u>	<u>2,727,051,527</u>
14 Provisions		
NSSF / PPF payable	16,395,411	21,834,715
PAYE payable	3,114,746	2,913,265
SDL payable	2,606,723	1,848,923
City service levy payable	-	7,566,274
Audit fees payable	10,092,000	10,500,000
Provision for expenses	64,397	906,834
	<u>32,273,277</u>	<u>45,570,011</u>

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	Tzs	Tzs
15 Bank overdraft		
Bank overdraft - TSH	2,519,325,746	2,134,730,674
	<u>2,519,325,746</u>	<u>2,134,730,674</u>
Security details:		
1. First Legal Mortgage over land and Building on Plot No .33, Mikocheni Ligh Industrial Area, Dar es Salaam, with certificate of title no 23998, registered in the name of Iron and Steel Limited.		
2. Debenture charge over all fixed and floating assets of the company.		
3. Corporate Guarantee of Nyakato Steel Mills Limited		
4. Personal Guarantee of Amin Ramji, Abdul Aziz Lalani and Mehboob Ramji		
16 Current tax		
Provision for tax current year tax	34,434,282	44,812,094
Advance tax paid	(36,967,176)	(36,000,000)
	<u>(2,532,894)</u>	<u>8,812,094</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

17 Property, plant & equipment

Particulars	Land & Building	Land & Building (Revalued)	Plant and machinery	Furniture and fixtures	Weigh Bridge	Computers and accessories	Plant and machinery (Revalued)	Gas Cylinder Plant	Motor vehicles Class I	Motor vehicles Class II	Total
	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs
Cost											
Balances at 1st January 2015	1,023,408,602	2,139,450,000	5,263,394,915	156,192,619	30,570,238	5,660,280	2,167,385,450	60,777,490	123,470,257	36,904,915	11,007,214,766
Additions	21,625,000	-	476,952,618	1,540,000	-	-	-	-	3,409,661	-	503,527,279
Disposals	-	-	(166,775,657)	-	-	-	-	-	(1,593,220)	-	(168,368,878)
Balances at 31st December 2015	1,045,033,602	2,139,450,000	5,573,571,876	157,732,619	30,570,238	5,660,280	2,167,385,450	60,777,490	125,286,698	36,904,915	11,342,373,168
Balances at 1st January 2016	1,045,033,602	2,139,450,000	5,573,571,876	157,732,619	30,570,238	5,660,280	2,167,385,450	60,777,490	125,286,698	36,904,915	11,342,373,168
Additions	-	-	41,672,891	-	-	-	-	-	5,932,203	-	47,605,094
Balances at 31st December 2016	1,045,033,602	2,139,450,000	5,615,244,767	157,732,619	30,570,238	5,660,280	2,167,385,450	60,777,490	131,218,901	36,904,915	11,389,978,262
Accumulated depreciation											
Balances at 1st January 2015	364,628,318	396,854,603	3,184,667,010	97,832,714	23,533,241	5,248,451	896,903,892	43,754,061	115,394,325	35,035,904	5,163,852,519
Depreciation for the year	34,020,264	87,129,770	564,548,790	7,311,030	879,625	154,436	158,810,195	2,127,929	2,886,086	467,253	858,335,378
Disposals	-	-	(18,453,593)	-	-	-	-	-	(822,157)	-	(19,275,750)
Balances at 31st December 2015	398,648,582	483,984,373	3,730,762,207	105,143,744	24,412,866	5,402,887	1,055,714,087	45,881,990	117,458,254	35,503,157	6,002,912,147
Balances at 1st January 2016	398,648,582	483,984,373	3,730,762,207	105,143,744	24,412,866	5,402,887	1,055,714,087	45,881,990	117,458,254	35,503,157	6,002,912,147
Depreciation for the year	32,319,251	82,773,281	467,647,899	6,573,609	769,672	96,522	138,958,920	1,936,415	3,121,048	350,440	734,547,057
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balances at 31st December 2016	430,967,833	566,757,654	4,198,410,106	111,717,353	25,182,538	5,499,409	1,194,673,007	47,818,405	120,579,302	35,853,597	6,737,459,204
Carrying value											
Balances at 31st December 2016	614,065,769	1,572,692,346	1,416,834,661	46,015,266	5,387,700	160,871	972,712,443	12,959,085	10,639,599	1,051,318	4,652,519,058
Balances at 31st December 2015	646,385,020	1,655,465,627	1,842,809,669	52,588,875	6,157,372	257,393	1,111,671,363	14,895,500	7,828,444	1,401,758	5,339,461,021

IRON & STEEL LIMITED
P.O. Box 20427, Dar Es Salaam

COMPUTATION OF TAXABLE INCOME

	2016 Tzs	2015 Tzs
Profit / (Loss) as per statement of profit or loss	(143,439,729)	(144,246,641)
Add:		
Depreciation and amortisation	512,814,856	612,395,413
Private use of Vehicles	7,386,187	5,207,999
Private use of Telephone	1,039,212	1,108,507
	<u>377,800,525</u>	<u>474,465,278</u>
Less:		
Wear and tear allowance	263,019,585	325,091,632
Taxable income / (loss)	<u>114,780,940</u>	<u>149,373,646</u>
Less: Brought forward of loss	-	-
Taxable income for the year	<u>114,780,940</u>	<u>149,373,646</u>
Tax on income @ 30%	34,434,282	44,812,094

Wear and tear schedule

Particulars	Class I	Class II	Class III	Class VI	Total
Rate	37.50%	25.00%	12.50%	5.00%	
Opening balance at 1st January 2016	2,676,517	863,169,043	36,749,110	579,743,859	1,482,338,529
Add: Additions	5,932,203	41,672,891	-	-	47,605,094
	<u>8,608,720</u>	<u>904,841,934</u>	<u>36,749,110</u>	<u>579,743,859</u>	<u>1,529,943,623</u>
Less: Disposal	-	-	-	-	-
Wear and tear	3,228,270	226,210,484	4,593,639	28,987,193	263,019,585
Closing balance 31st December 2016	<u>5,380,450</u>	<u>678,631,451</u>	<u>32,155,472</u>	<u>550,756,666</u>	<u>1,266,924,038</u>

THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENCING AGENCY

Appointment of a Director or Secretary

Not for Resignation (Use Form 210b) or change of particulars (Use Form 210c)

Pursuant to Section 210 of the Companies Act 2002

Company Number Company Name
(in full) Date of Appointment

Appointed as Director

Appointed as Secretary

Name: (First Name(s)) (Surname) Previous Name(s) Address
(Usual Residential)
Nationality Date of Birth

(continued on next page)

FOR OFFICIAL USE ONLY

Business Occupation

BUSINESSMAN

Other Directorships
(Directors Only)


NONE

I consent to act as **director** of the above named company

Signed 
SHAMIR RAMJI

Date 25/7/2012

A director/secretary etc. must sign the form below

Signed 

Date 25/07/2012

(A director/ ~~secretary~~/ administrator/ ~~administrative receiver~~/ receiver)

Notes:

Show full First Names, not initials. If the director or secretary is a corporation, show the name on the surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or Surname(s) except that:

- For married woman, the name by which she was known before marriage need not be given
- Names not used since the age of 18 or for at least 20 years need not be given

Other Directorships

Give the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at anytime in the past five years.



WAKALA WA USAJILI WA BIASHARA NA LESENI.

S.L.P 9393, Dar-es-Salaam.

SIMU : +255 22 2180141, 2180113, 2181113. NUKUSHI: +255 22 2180371

BARUA PEPE: usajili@brela.go.tz, info@brela.go.tz

TOVUTI: <http://www.brela.go.tz>



RECEIPT NO: 397669
ASSESS. NO.311593356

NIMEPOKEA KWA
Received from

IRON AND STEEL LIMITED

KIASI CHA SHILINGI(KWA MANENO)
Sum of shillings(In words)

TWENTY-TWO THOUSAND TANZANIAN SHILLINGS ONLY.

KWA MALIPO YA
In respect of

FILLING FEES(2017 FORM210A) [22,000]

KWA FEDHA TASLIMU/HUNDI NAMBA
By cash/cheque No.

CASH

KITUO
Station

DAR ES SALAAM

TAREHE YA MALIPO
Payment Date

26/07/2017

SAHIHI YA MPOKEAJI
Receiving officer's sign.

SAMWEL BUCHENJA

.....

CHEO
Title

CASHIER

TAREHE YA
RISITI
Issue Date

26/07/2017

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENCING AGENCY

Annual Return of a Company
Pursuant to Section 128 of the Companies Act 2002

Company Number

22272

Name of the Company
(Full Name)

IRON & STEEL LIMITED

The information in this return is made up to **31st DECEMBER 2016**Address of Registered Office of the Company *Plot No: 33, Mikocheni Light
Industrial Area – Dar-es-salaam*Company Type *Private*

(If the company does not have a share capital there must be annexed to the return a Statement containing particulars of the total amount of indebtedness of the company in respect of all mortgages and charges required to be registered under the Act)

Principal Business Activities *Steel & Iron bar Manufacturers*

If different from the registered Office, state address where the Register of members or any Register of debenture holders is kept

Register of Members *Same as Above*Register of Debenture Holders *Same as Above*

Company Secretary

Name	<i>Baker Tilly DGP & Co., Certified Public Accountants</i>
Previous Name(s)	<i>None</i>
Address	<i>P.O. Box 1314 – Dar-es-salaam</i>

FOR OFFICIAL USE ONLY

Form 128: Annual Return

Directors

(Use additional copies of this sheet if necessary)

Name Amin Mohamed Ramji	Business Occupation <i>Businessman</i>
Previous Name(s) <i>None</i>	Nationality <i>Tanzanian</i>
Address <i>Plot No: 399/9, Indira Gandhi Street – Dar-es-salaam</i>	Date of Birth <i>07/07/1951</i>
Other relevant past or present directorships	
<i>Director in New Kilimanjaro Textile Mills Ltd, Nyakato Steel Mills Ltd & Musoma Textile Mills Tanzania Ltd</i>	

Name Abdulaziz Lalani	Business Occupation <i>Businessman</i>
Previous Name(s) <i>None</i>	Nationality <i>Kenyan</i>
Address <i>Plot No: 124B, Uganda Avenue – Dar-es-salaam</i>	Date of Birth <i>06/04/1949</i>
Other relevant past or present directorships	
<i>Director in New Kilimanjaro Textile Mills Ltd, Nyakato Steel Mills Ltd, Musoma Textile Mills Tanzania Ltd, Adept Impex Ltd, MV Safari Ltd & Regency Medical Centre Ltd</i>	

Form 128: Annual Return

Issued Share Capital

Enter details of all the shares in issue at the date of the return

	Class	Number of Shares Issued	Aggregate Nominal Value
1	Ordinary	2,000,000	2,000,000,000/=
2			
3			
4			
5			

Totals:

2,000,000


2,000,000,000/=

List of past and present members There were no changes in the period X
 A full list is required if one was not included with either of the last two returns.

A list of changes is enclosed (pages 4 and 5) N/A

A full list of members is enclosed (pages 4 and 5) X

I certify that the information given in this return is true to the best of my knowledge and belief.

Signed  Date 01/08/17
 Director/Secretary

LIST OF PAST AND PRESENT MEMBERS (Continued from Page 4)

(Use additional copies of this sheet if necessary)

	Number of shares or amount of stock held by existing members at date of return	Particulars of shares transferred since the date of the last return (or, in case of the first return, of the incorporation of the company) by (a) persons who are still members, and (b) persons who have ceased to be members		Remarks
1	<i>1</i>			
2	<i>772,599</i>			
3	<i>363,700</i>			
4	<i>363,700</i>			
5	<i>500,000</i>			
	<u><i>2,000,000</i></u>			



WAKALA WA USAJILI WA BIASHARA NA LESENI.

S.L.P 9393, Dar-es-Salaam.

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TOVUTI: <http://www.brela.go.tz>



RECEIPT NO: 398969
ASSESS. NO.311594504

NIMEPOKEA KWA
Received from

IRON AND STEEL LIMITED

KIASI CHA SHILINGI(KWA MANENO)
Sum of shillings(In words)

THIRTY-NINE THOUSAND FIVE HUNDRED TANZANIAN
SHILLINGS ONLY.

KWA MALIPO YA
In respect of

FILLING FEES(2016 FORM128) [39,500]

KWA FEDHA TASLIMU/HUNDI NAMBA
By cash/cheque No.

CASH

KITUO
Station

DAR ES SALAAM

TAREHE YA MALIPO
Payment Date

SAHIHI YA MPOKEAJI
Receiving officer's sign.

CHEO
Title

TAREHE YA
RISITI
Issue Date

01/08/2017

SAMWEL BUCHENJA

CASHIER

01/08/2017



THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

(Offices: Co-operative Building Lumumba Street)

Telephone: +255 22 2180139

Fax: +255 22 2180371

Email: usajili@brela.co.tz

Website: www.brela.go.tz

*(All official communications should be addressed
to the Chief Executive Officer not to individuals)*

In reply please quote:

Ref: No.MIT/RC/22272/45

P.O.Box 9393

DARES SALAAM

08th December, 2017

ABDALLAH FUNDIKILA,

P.o Box 76453 ,

Dar es Salaam

RE : THE COMPANIES ACT, 2002
: IRON & STEEL LIMITED

Refer to your letter dated 30th November 2017, Below are the particulars

1. Company Name :
IRON & STEEL LIMITED
2. Corporate Number :
22272
3. Date of Incorporation :
23rd December 1992
4. Share Capital :
TSHS. 1,000,000/=
5. Company Secretary :
NOT LEGALLY APPOINTED
6. Principal Place of Business :

Plot 68, Morogoro Road, Ilala, Dar es Salaam

7. Directors :

Sadrudin Shariff
Meera Shariff
Shiraz Shariff

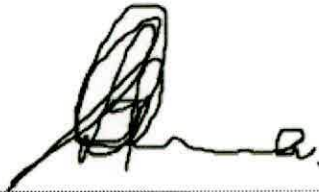
8. Annual Return Filed :
FILED UP TO 2016

9. Shareholders :

Sadrudin Shariff - 1 share
Meera Shariff - 1 share
Shiraz Shariff - 1 shares

10. Number of Shares :
1,000 SHARES

1. Director Nationality :
TANZANIANS



George Chuwa

FOR REGISTRAR OF COMPANIES

MINISTRY OF LANDS AND HUMAN SETTLEMENTS

LAND DIVISION,
LEGAL SECTION,
P.O. BOX 9230,
DAR ES SALAAM.

REF. L/92542/12/R

27-7-2000

TO CASHIER (LANDS)

RE: PLOT NO. 33 BLOCK.....LOCATION Mikocheni
FARM NO.LOCATION.....
L.O. NO. 52610.....C.T. NO. 23998

Please collect a total sum of TShs. 7,969,700/=
From Iron and Steel Ltd of P.O. Box 20427
D, Salaam being

- (a) Stamp Duty fee on Transfer Tshs 7,500,200
- (b) Consent fee
- (c) Registration fee Tshs 469,500/=
- (d)
- (e)

Consideration is TShs. 187,500,000/=
Name of Assessor Eliza Chale Signature Eliza Chale

E. Chale
for: COMMISSIONER FOR LANDS

31/7/2000

NB
Kibali Kumbalewa
Njoo wipie

THE LAND REGISTRATION ORDINANCE CAP. 334

TRANSFER OF RIGHT OF OCCUPANCY

C. T. No. 23998.
MIKOCHEMI LIGHT INDUSTRIAL AREA,
Dar es Salaam.

IN CONSIDERATION of the sum of Shillings one hundred eighty seven million five hundred thousand (T.Shs.187,500,000/=) only,

WE, TANGANYIKA ENAMELWARE FACTORY LIMITED a limited liability Company registered under Cap. 212 of the Companies Ordinance and of P.O. Box 20427, Dar es Salaam, do HEREBY TRANSFER to IRON AND STEEL LIMITED a limited liability Company registered under Cap. 212 of the Companies Ordinance and of P.O. Box 20427, Dar es Salaam, the Right of Occupancy registered under the above reference.

SEALED with the Common Seal of)
TANGANYIKA ENAMELWARE FACTORY)
LIMITED and DELIVERED in the)
presence of us this 14TH day)
of JUNE 1995)

SIGNATURE

POSTAL ADDRESS P.O. Box 20427

QUALIFICATION Chairman

SIGNATURE

POSTAL ADDRESS P.O. Box 158

QUALIFICATION Director

SEALED with the Common Seal of)
IRON AND STEEL LIMITED and)
DELIVERED in the presence of (us))
this 14TH day of JUNE 1995)

SIGNATURE

POSTAL ADDRESS P.O. Box 20427

QUALIFICATION Director

SIGNATURE

POSTAL ADDRESS P.O. Box 100

QUALIFICATION DIRECTOR

DRAWN BY:

P. M. MAJITHIA,
ADVOCATE,
P.O. BOX 155,
DAR ES SALAAM

Value. One hundred eight Seven million Five hundred thousand only. (187,500,000/=TSLs)

VALUATION	7500200
OFFICE	2000
REGISTRATION	469500
G.R. No.	OF
Director of Land for Development Services	

Form w 11423622 of 28-7-2000
Form w 11416449 of 19-7-2000
Form w 11418513 of 28-7-2000

I exercise of the power to that effect vested in me in terms of Government Notice No. 478 of 1962
DIDAS MISIARU PSAKUZI
Senior Land Officer hereby approve
disposition 31th July 2000.
J. E. N. Seluzi
Senior Land Officer

Consent granted as per minute w 14.
LD/92542.

Elle
27-7-2000

Iron & Steel

TANZANIA

CERTIFICATE OF OCCUPANCY

(Issued under Section 9 of the Land Ordinance)

Date of Issue:

Title Number: **23998**

Land Office Number: **52610**

Land: **PLOT NO. 33 MIKOCHENI LIGHT INDUSTRIAL AREA DAR ES SALAAM CITY.**

Term: **NINETY NINE YEARS.**

WE HEREBY CERTIFY,
THIS TO BE A TRUE
COPY OF THE ORIGINAL.

D. KESARIA
D. KESARIA L.L.B. (Hons.)
Advocate, Commissioner for Oaths
and Notary Public
P.O. BOX 729
Dar-es-Salaam
TANZANIA

REGISTERED

2nd April, 1980

at 9.35 A.M.
Land Form 32B

Arthur J. Ouma
Asst. Registrar of Lands



and Revenue Receipt No. N.755088

10-11-78

Arthur J. Ouma
L.O. No. 52610

DSM/LD/NO.10666

TANZANIA

TANGANYIKA

CERTIFICATE OF OCCUPANCY

Stamp Duty Shs. 70/- Paid

Original Receipt No. N.755088

(Section 9 of the Land Ordinance) 10-11-78

The Second day of April,
hundred and Eighty.

Arthur J. Ouma
One thousand nine hundred and Eighty

TITLE NO. 23998

This IS TO CERTIFY that TANGANYIKA ENAMELWARE FACTORY LIMITED of P.O. BOX 20429, DAR ES SALAAM a limited liability company incorporated in Tanzania and having its registered office in Dar es Salaam (hereinafter called "the Occupier is entitled to a Right of Occupancy (hereinafter called "the Right") in and over the land described in the Schedule hereto (hereinafter called the Land") for a term of Ninety Nine years from the first day of July One Thousand nine hundred and Seventy Eight according to the ^{true} intent and meaning of the land Ordinance and subject to the provisions thereof and any regulations made thereunder and to any enactment in substitution therefor or amendment thereof and to the following special conditions:-

1. The Occupier having paid rent up to the thirtieth day of June, 1979, shall thereafter pay rent of Two thousand four hundred Seventy five shillings (shs.2,475/-) a year in advance on the first day of July in every year of the without any deduction PROVIDED that the rent may be revised by the Minister for the time being responsible for Lands (hereinafter called "the Minister") on the first day of July in each of the years 1988, 1998, 2008, 2018, 2028, 2038, 2048, 2058 and 2068 or within three years thereafter in each case.
2. The Occupier shall:-
 - (i) Erect on the land buildings (hereinafter called "the buildings") in permanent materials designed for use in accordance with the conditions of the Right and which conform to the building line (if any) decided by The Dar es Salaam City Council (hereinafter called "the Authority");
 - (ii) By the thirty first day of December, 1978 submit to the Authority such plans for the buildings (including block plans showing the position of the buildings) and such drawings, elevations and specifications of them as will satisfy the Authority and as are in accordance with the building condition in sub-paragraph (i) above which said plans and specification shall be submitted in triplicate;
 - (iii) Within six months from the date of notification by the Authority of approval of the plans and specifications referred to in sub-paragraph (ii) above begin building on the land in accordance with such plans and specifications;
 - (iv) Complete the buildings according to the plans and specifications so that they are ready for use and occupation by the thirtieth day of June, 1981;
 - (v) At all times during the term after the thirtieth day of June, 1981; have on the land buildings as approved by the Authority

and maintain them in good order and repair to the satisfaction of the Commissioner for Lands (hereinafter called "the Commissioner

- (vi) Not erect or commence to erect on the land any building except in accordance with building plans and specifications which shall have been first approved by the Authority as hereinbefore provided;
- (vii) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Commissioner for Surveys and Mapping.

Approval of plans of any building by the Authority shall not imply that the construction of such a building will satisfy the Occupier's obligation under the conditions of the Right and shall not imply waiver or modification of any condition in the Right.

- 3. (i) The Occupier shall not subdivide the land or assign sublet or otherwise dispose of or deal with the whole or any part of it or of any building on it without the previous written consent of the Commissioner.
- (ii) Occupation or use of the whole or any part of the land or buildings on it by any person other than the Occupier or their employees agents or contractors shall be deemed a dealing with the land or buildings.
- 4. Except as hereinbefore provided the Commissioner shall have an absolute discretion to give or withhold consent under condition 3 (i). Any dealing or agreement (other than a mortgage or charge) entered into before compliance with condition (2 (iv)) will not receive consent except in special circumstances of which the Commissioner shall be the sole judge.
- 5. The Occupier shall further:-
 - (i) Make and maintain on the land throughout the term adequate arrangements for water Supply, drainage and disposal of trade refuse and affluent to the satisfaction of the Authority;
 - (ii) make and keep all the buildings on the land rat-proof and carry out such measures as the Medical Officer of Health for the Authority may require for this purpose;
 - (iii) provide and maintain on the land such ablution facilities and take and maintain such hygienic measures as may be required by the said Medical Officer of Health.
 - (iv) Fence the land with a good quality fencing. Car Parking spaces shall be provided as required by the Authority. Loading and unloading facilities shall be provided within the boundaries of the land.

DAH-ES-4-3-66-111

N ▲



INSET SHOWING DETAILS OF PLOT

Locality: MIKOCHELLI GHEENSI NIA AREA

Block

33

L.O. No. 52510 719476

Area: 25,945 sq. m.



This plan, prepared in accordance with the Registered Plan No. 18555 is approved for the purposes of the Land Registration Ordinance.
Director of Surveys and Mapping

6. The Occupier shall pay to the Minister on demand made by Director on his behalf:-

- (i) any further fees or stamp duties which may be discovered to be payable by the occupier in connection with the Right.
- (ii) an amount equal to any contribution in lieu of rates which may be payable by Government for the land during the term of the Right.
- (iii) such sum as the Director shall assess as a proper share payable for the land of the cost of making up the road or improvement of same upon which the land fronts, abuts or adjoins, whether such demand is made before, during or after such making or improvement thereof. This condition does not oblige the Government to make or improve roads.

7. ~~Only one main building together with the usual and necessary out buildings shall be erected on the land and the same shall be used for Industrial and office purposes. Use Group 'O' use classes (a) Use Group "G" use class (a) as defined in the Town and Country Planning (Use Classes) Regulations, 1960.~~ *The land and the buildings to be erected thereon*

Amul/Lo

8. The President may revoke the Right for good cause and in public interest.

SCHEDULE

All that land known as Plot No.33 Mikochoeni Light Industrial Area Dar es Salaam City containing twenty six thousand Nine Hundred forty three (26,943) Square Metres shown for identification only edged

..... on the plan attached to this certificate and defined on registered survey plan numbered 18555 deposited at the office of the Director of Surveys and Mapping at Dar es Salaam.

GIVEN under my hand and seal and by Order of the Minister the day and year first above written.

Ag. DIRECTOR OF LAND DEVELOPMENT SERVICES

The within-named TANGANYIKA ENAMELWARE FACTORY LIMITED hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SEALED with the COMMON SEAL of the
said TANGANYIKA ENAMELWARE FACTORY
LIMITED and delivered in the
presence of us

this 16th day of March 1980

Signature: *[Signature]*

Postal Address: Bex 20477

DAR ES SALAAM

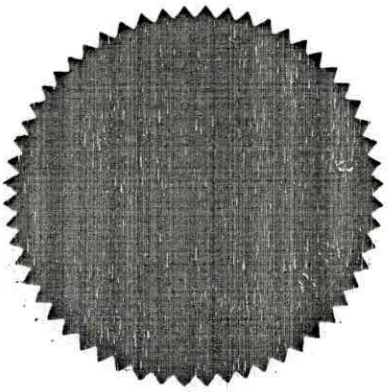
Qualification: Managing Director

Signature: *[Signature]*

Postal Address: Bex 158

DAR ES SALAAM

Qualification: DIRECTOR



NOTES

In the document above referred to
"Commissions for Loans" and "Commissioner for
Surveys and Mapping" should be read and construed
as a reference to the "Director of Land Development"
Services" and "Director of Surveys and Mapping"
respectively.

LAND REGISTRY DAR ES SALAAM
MORTGAGE

Filed Document No. 72555
Date of registration 3-6-1983 11:00 AM
IN TANZANIA HOUSING BANK

(To secure shs 3,000,000/-)
DISCHARGED ON 14.8.91
At. 10.00 AM FD NO 81434

[Signature]
[Signature]

LAND REGISTRY DAR ES SALAAM
MORTGAGE

Filed Document No. 86718
Date of registration 27.3.95 10:00 AM
DISCHARGED ON 14-6-95
CO-OPERATIVE AND RURAL
DEVELOPMENT BANK (unspeci)
Fed amount 80545

[Signature]
[Signature]

ASST REGISTRAR *[Signature]*

FILE No

PAGE

BAND REGISTRY DAR ES SALAAM
MORTGAGE

Filed Document no 91645
Date of Registration 4-8-99 time 11.00 AM
to DIAMOND TRUST BANK
TANZANIA LIMITED.
(to secure sh. 200,000,000/-)
Sefant *Mushilew* Registrar of Titles

TICC/PP.10/042189/3

14^h March, 2012

Managing Director,
Iron and Steel Ltd.,
P.O. Box 20427,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
EXPANSION OF MANUFACTURING FACILITIES FOR ALL TYPES OF
HIGH TENSILE AND MILD STEEL BARS**

We wish to acknowledge receipt of your project proposal to expand manufacturing facilities for all types of high tensile and mild steel Bars as presented in the TIC P.A. 1 Form No. 09861 and Feasibility Study with a projected investment of USD 7.1m.

We have studied your project proposal and are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

- Certified document showing evidence of Land ownership for the location of the project.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

.../2

TICC/PP.10/042189/3

14th March, 2012

*Tanzania Investment Centre
Standard Chartered Bank (T) Ltd
US Dollar A/C 8702006002000
T.Shs A/C 0102006002000*

We wish you every success in the implementation of the project.

Yours sincerely,
TANZANIA INVESTMENT CENTRE


B.D. Chonjo
For: EXECUTIVE DIRECTOR

Copy to: Permanent Secretary,
Ministry of Finance,
P. O. Box 9111,
DAR ES SALAAM

Permanent Secretary,
Ministry of Industry, Trade and Marketing,
P.O. Box 9503,
DAR ES SALAAM

Commissioner General,
Tanzania Revenue Authority,
P. O. Box 11491,
DAR ES SALAAM



TIC Evaluation Report

Name of the Company
Iron And Steel Ltd.

Post Box	Industrial Area, Plot No. 33 Mikocheni	COI Number	22272-01	Contact	Mr. Naga Raju Ch
Post Office	20427	COI Date	23/12/92	Designation	General Manager
Region	Dar Es Salaam	Application F. No	09861	Phone	022 2700 360
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0
		Sub Sector	Iron And Steel	Fax	022 2700361
		File No	042189	E-Mail Address	Isl@Bol.Co.Tz

Project Location		Investment Finance Plan in Millions USD											
Plot No.	Plot No. 33 Mikocheni	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>7.1</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	7.1	0	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	7.1		0	0									
Street	Industrial Area												
District	Kinondoni												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	Plant
Sadrudin Mangaigs	Canadian	21.21	1.2	3.5
Sadrudin Shariff	Tanzanian	21.21	Vehicles	0.3
Abdul Aziz Lalani	Kenyan	21.21	Furniture & Fittings	0.3
Amin Ramji	Tanzanian	36.37	Pre-expenses	0.2
			Others	0.1
			Working Capital	1.5
			Total	7.1

Employment	337	Evaluated By	wf officer1
Capacity	2000	Drawn By	wf regist3
Project Turn Over		Project Type	Local

Description

To expand manufacturing facilities for for all types of high tensile and mild steel Bars

Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investmnet Act,1997

Decision

Approved

 Ag EXT
 07/03/12



IRON AND STEEL LIMITED

P.O.Box 20427, 33, Mikocheni Industrial Area, DAR ES SALAAM
Telephone: Office (255-22) 2120542, Factory (255-22) 2700360,
Fax: (255-22) 2700361, Mobile: 0754 - 212065, Email: isl@bol.co.tz

06th February, 2012

Executive Directors
Tanzania Investment Centre
P.O. Box No: 938
Dar es Salaam



Re: **APPLICATION FOR THE CERTIFICATION OF INCENTIVES**

We have decided to establish a project to manufacture of steel.

In that respect we have decided to apply for the Certificate of Incentives in order to benefit from the incentives obtained at your office.

We are attaching the following documents on order to enable the Centre issue the Certificate.

1. Application Form
2. Certificate of Incorporation
3. Memorandum and Articles of Association
4. Business Plan
5. Evidence of Land Ownership
6. Bank reference letter
7. Board resolution
8. Audited accounts for the past three years.

We hope our application will be considered favorably at the earliest.

Yours faithfully

For Iron & Steel Ltd


DIRECTOR





WAKALA WA USAJILI WA BIAHARA NA LESENI.
S.L.P 9393, Dar-es-Salaam.
SIMU : +255 22 2180141, 2180113, 2181113. NUKUSHI: +255
22 2180371
BARUA PEPE: usajili@cats-net.com, brela@cats-net.com
TOVUTI: <http://www.brela-tz.com>



NIMEPOKEA KWA
Received from

IRON & STEEL LTD

RECEIPT NO: 00091370

KIASI CHA SHILINGI(KWA MANENO)
Sum of shillings(In words)

SEVENTY-EIGHT THOUSAND TANZANIAN SHILLINGS ONLY.

KWA MALIPO YA
In respect of

FILLING FEES [TSHS78,000].
TOTAL TSHS : 78,000

KWA FEDHA TASLIMU/HUNDI NAMBA
By cash/cheque No.

CASH

KITUO
Station



SAHIHI YA MPOKEAJI
Receiving officer's sign.

CHI
Title

TAREHE
Date

ARTHUR A.K

CASHIER

20/10/2011

Designed By SURA Technologies

The Companies Act 2002, Section 128

IRON & STEEL LIMITED

2010

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENCING AGENCY



Filing Fee Shs. 15,000/=

FORM OF ANNUAL RETURN OF A COMPANY
HAVING A SHARE CAPITAL

The Companies Act 2002, Section 128

IRON & STEEL LIMITED

2010

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENCING AGENCY

Annual Return of a Company
Pursuant to Section 128 of the Companies Act 2002

Company Number

22272

Name of the Company
(Full Name)

IRON & STEEL LIMITED

The information in this return is made up to 31st Day of December 2010Address of Registered Office of the Company *Plot No: 33, Mikocheni Light Industrial Area – Dar-es-salaam*Company Type *Private*

(If the company does not have a share capital there must be annexed to the return a Statement containing particulars of the total amount of indebtedness of the company in respect of all mortgages and charges required to be registered under the Act)

Principal Business Activities *Steel & Iron bar Manufacturers*

If different from the registered Office, state address where the Register of members or any Register of debenture holders Is kept

Register of Members *Same as Above*Register of Debenture Holders *Same as Above*

Company Secretary

Name	<i>Baker Tilly DGP & Co., Certified Public Accountants</i>
Previous Name(s)	<i>None</i>
Address	<i>P.O. Box 1314 – Dar-es-salaam</i>

FOR OFFICIAL USE ONLY

Issued Share Capital

Enter details of all the shares in issue at the date of the return

	Class	Number of Shares Issued	Aggregate Nominal Value
1	Ordinary	2,000,000	2,000,000,000/=
2			
3			
4			
5			

Totals:

2,000,000	2,000,000,000/=
-----------	-----------------

List of past and present members

A full list is required if one was not included with either of the last two returns.

There were no changes in the period

A list of changes is enclosed (pages 4 and 5)

 N/A

A full list of members is enclosed (pages 4 and 5)

I certify that the information given in this return is true to the best of my knowledge and belief.

Signed  Date.....

Director/Secretary

LIST OF PAST AND PRESENT MEMBERS (Continued from Page 4)
 (Use additional copies of this sheet if necessary)

	Number of shares or amount of stock held by existing members at date of return	Particulars of shares transferred since the date of the last return (or, in case of the first return, of the incorporation of the company) by (a) persons who are still members, and (b) persons who have ceased to be members		Remarks
1	1			
2	424,199			
3	324,200			
4	33,333			
5	33,333			
6	33,333			
7	363,700			
8	363,700			
9	424,200			
10	<u>2,000,000</u>			
11				
12				
13				
14				
15				
16				
17				

TANZANIA



Certificate of Incorporation

No. 22272

I HEREBY CERTIFY THAT

IRON AND STEEL

..... Limited
is this day incorporated under the Companies
Ordinance (Cap. 212) and that the Company
is Limited.

Given under my hand at Dar es Salaam
this 23rd day of December,

One thousand nine hundred and Ninety Two.

Asst.

Registrar of Companies



IRON AND STEEL LIMITED

P.O.Box 20427, 33, Mikocheni Industrial Area, DAR ES SALAAM
Telephone: Office (255-22) 2120542, Factory (255-22) 2700360,
Fax: (255-22) 2700361, Mobile: 0754 - 212065, Email: isl@bol.co.tz

06th February, 2012

Executive Directors
Tanzania Investment Centre
P.O. Box No: 938
Dar es Salaam

Re: **APPLICATION FOR THE CERTIFICATION OF INCENTIVES**

We have decided to establish a project to manufacture of steel.

In that respect we have decided to apply for the Certificate of Incentives in order to benefit from the incentives obtained at your office.

We are attaching the following documents on order to enable the Centre issue the Certificate.

1. Application Form
2. Certificate of Incorporation
3. Memorandum and Articles of Association
4. Business Plan
5. Evidence of Land Ownership
6. Bank reference letter
7. Board resolution
8. Audited accounts for the past three years.

We hope our application will be considered favorably at the earliest.

Yours faithfully

For Iron & Steel Ltd



DIRECTOR



IRON AND STEEL LIMITED

P.O.Box 20427, 33, Mikocheni Industrial Area, DAR ES SALAAM
Telephone: Office (255-22) 2120542, Factory (255-22) 2700360,
Fax: (255-22) 2700361, Mobile: 0754 - 212065, Email: isl@bol.co.tz

EXTRACT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF IRON AND STEEL LIMITED

THE FOLLOWING WERE PRESENT

- | | | |
|----------------------------|---|----------|
| 1. Mr. ABDUL AZIZ LALANI | - | DIRECTOR |
| 2. Mr. AMIN MOHAMMAD RAMJI | - | DIRECTOR |

The Board Meeting unanimously passed the following resolutions:

- The Steel project which will be located at Mikocheni will be the partly financed by share holders contribution and the other part, will be covered by a loan.
- Also if the loan will be not be available in time, shareholders will contribute the remaining balance.
- The project investment cost will be US \$: 7.1M

Signed by:



CHAIRMAN



SECRETARY

DATE



IRON AND STEEL LIMITED

P.O.B. Mikocheni Industrial Area, DAR ES SALAAM
Telephone: Office (255-22) 2120542, Factory (255-22) 2700360,
Fax: (255-22) 2700361, Mobile: 0754 - 212065, Email: isl@bol.co.tz

EXTRACT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF IRON AND STEEL LIMITED

THE FOLLOWING WERE PRESENT

1. Mr. ABDUL AZIZ LALANI - DIRECTOR
2. Mr. AMIN MOHAMMAD RAMJI - DIRECTOR

The Board Meeting unanimously passed the following resolutions:

- The Steel project which will be located at Mikocheni will be the partly financed by share holders contribution and the other part, will be covered by a loan.
- Also if the loan will be not be available in time, shareholders will contribute the remaining balance.
- The project investment cost will be US \$: 7.1M

Signed by:



CHAIRMAN



SECRETARY

DATE



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

TIRON F STEEL LTD

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/We MR AMIN RAMJI
(director/directors/agent of M/S IRON & STEEL LTD
(name of business enterprise) apply for registration of CERTIFICATE INCENTIVES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at 33, P.O. Box 20427
MIKOCHENI INDUSTRIAL AREA DAR ES SALAAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at MIKOCHENI INDUSTRIAL AREA
4. The Principal Officers of the Company are N/A
5. Auditors of the Company are BAKER TILLY DSP & CO
6. The authorized share capital of the Company is Tshs./US\$ 5000,000,000

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./USS 7.1 m
8. The month and day of the financial year end is 31st DECEMBER

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./USS

..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I. AMINI RAMJI of Post Office Number P.O. Box 20427

..... do solemnly and sincerely declare that I am a director/duly

authorized agent of IRON & STEEL LTD

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with. **AND I** make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }
.....

The 03 day of MARCH 2012



Before me:


.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: IRON & STEEL LTD

Certificate of Incorporation Number: 22272 Status:

Certificate of Incorporation Date: 23-12-1992

Post Box: 20427

Town: DSM

Sector: MANUFACTURING Sub-Sector: IRON & STEEL

Investment Financing Plan in Million US\$/Tsh.

Foreign Equity Local Equity Foreign Loan Local Loan
7.1

Project Objectives: TO EXPAND MANUFACTURING FACILITIES FOR ALL TYPES OF HIGH TENSILE AND MILD STEEL BARS.

Capacity: 2000

Employment: Foreign: 17 Local: 320 Total: 337

Implementation Period:

Project Location

Site/Plot/Block No.: 33 MIKOCHEMI

Street: INDUSTRIAL AREA District: KINONDONI Region: DAR ES SALAMU
(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %
Amin Ramji TANZANIAN 36.37
Abdul Aziz Lalam KENYA 21.21
Sadruddin Sharif TANZANIAN 21.21
Sadruddin Mangais CANADIAN 21.21

Investment Breakdown	US\$/Tshs.M
Land/Building	1,200,000
Plant	3,500,000
Vehicles	300,000
Furniture & Fittings	300,000
Pre-expenses	200,000
Others	100,000
Working Capital	1,500,000
TOTAL	\$ 7,100,000

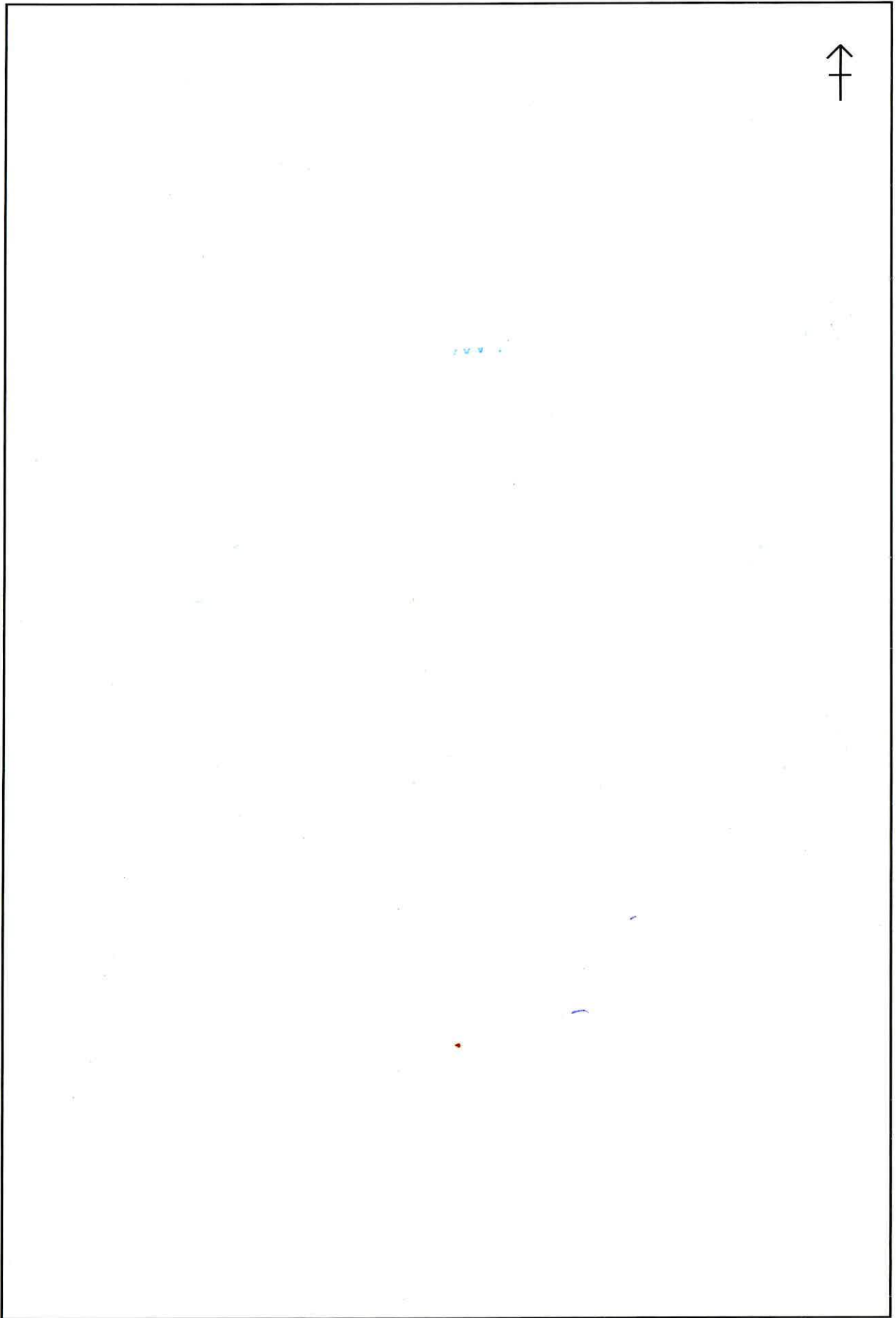
Contact Details:

Name: NAGA RAJU CH Title: General Manager
 Telephone: 022 2700360 Fax: 022 2700361
 Email: is@bd.co.tz

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
 STANDARD CHARTERED BANK TANZANIA LTD.
 SWIFT ADDRESS: **SCBLTZTX**
 ACCOUNT NO.: **8702006002000**

SKETCH MAP SHOWING PROJECT LOCATION



THE COMPANIES ORDINANCE
(CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM

and

ARTICLES

of

ASSOCIATION

of

IRON AND STEEL LIMITED

.....

Incorporated this day of 190

.....

Drawn by: MR. SADRUDIN SHARIFF
(SUBSCRIBER)
P O BOX 20427
DAR ES SALAAM
TANZANIA

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF
IRON AND STEEL LIMITED

1. The name of the Company is "IRON AND STEEL LIMITED".
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are:
- To carry on the business of manufacturing of raw materials related to steel and metal and to buy and sell steel and metal products and deal in these products as principals or as agents of other companies from within the country or from outside this country; to enter into joint venture with other companies either from within the country or outside in the business of selling, manufacturing, buying or turning any type of steel or metal into any form.
 - To own, manage, purchase, lease or otherwise, iron ore mines and other mines, mining rights and metal life, own land in Tanzania or elsewhere, prepare for market ore metal and mineral substances of all kinds and carry on any other metallurgical operations which may seem conducive to any of the company's objects.
 - To engage and otherwise carry on the business of timber manufacturing, to own sawmills, to be furniture makers and distributors of timber and metal products; to carry on the business of importers, exporters of hardwares, metal products and steel products, electrical goods, motor spare parts and generally as agents, sellers representatives, commission agents, brokers or trustees for any form of a company or firms in respect of any nature.
 - To carry on and otherwise engage in the business of general traders, trading agents, clearing and forwarding agents, to be owners and operators of supermarket, provision store, groceries of all kinds and descriptions, to be transporters and transporters agents, insurance agents, brokerage agents and establish and operate bureaux de change.
 - To carry on the business of buying and selling of building materials, hardware, electrical goods and household items, electrical bulbs, accumulators, meters, engines, dynamos, airconditioners, elevators, generators and component parts thereof, wiring and other materials, ironmongers, timber, oils, paints, spirits and varnishes, house furnishers, upholsterers, furniture, carpets, linoleums and other floor coverings, curtains, cement, corrugated iron sheets, bolts and nuts and generally to deal in hardware, building materials and electrical equipments.

AS 110294 17-B
K. S. S. S.

25-5-51
AS 110294 0:
17-B-92
K. S. S. S.



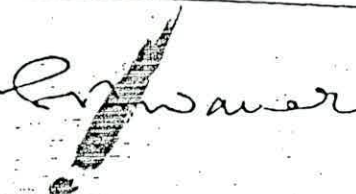
- (f) To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the Company is authorised to carry on, or possess property suitable for the purpose of this Company.
- (g) To invest and deal with moneys of the Company not immediately required upon each securities and in such manner as may from time to time be determined.
- (h) To purchase, lease, or otherwise acquire, and to hold, sell, improve, develop, exchange, mortgage or otherwise dispose of any lands, buildings, machinery or plants, mills, factories, warehouses or any hereditaments.
- (i) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works, art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (j) To enter into arrangements with any Government or authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons having objects that may seem conducive to the Company's objects or any of them, and to obtain from any such Government, Authority, Corporation, Company or person, any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (k) To enter into (partnership or into) any arrangements for sharing profits, union or interests, co-operation, joint venture, reciprocal, concession, or otherwise with any persons, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on, or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. And to lend money to, guarantee the contracts of, or otherwise assist, any such person, firm or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, reissue with or without guarantee, or otherwise deal with the same.
- (l) To promote any other company for the purpose of acquiring all or any of the property, and undertaking, or any of the liabilities of this Company, or of undertaking any business or operation which may appear likely to assist or benefit this Company, or to enhance the value of the property or business of this Company, and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of each company as aforesaid.

- (m) To lend and advance money or give credit to such persons, firm or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give guarantee to become surety for any persons, firms or companies for the due payment of money for the performance of any obligations or liabilities.
- (n) To receive money or deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of money borrowed, raised or owing by mortgage charge or lien upon all or any of the property or assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be.
- (o) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (p) To establish and support or aid in the establishment and support of association, institutions, funds, trusts, and clubs calculated to benefit the employees or ex-employees of the Company, or any of its predecessors in business, or of any company which is a subsidiary company of the Company or is allied thereto or associated therewith, or dependents or connections of such persons, and to grant or provide pensions and allowances, to make or enter into arrangements for the provisions of policies of life assurance, pensions or other benefits to or for any Directors or employees of the Company, or any such predecessor or such company as aforesaid, or the relations, connections or dependents of any such persons, to pay or contribute towards the payment of premiums in respect of any such policies, pensions or benefits, to establish or support funds, trusts and scheme (including funds, trusts, and scheme providing for payment towards insurance) which may be considered calculated to promote such persons or benefit.
- (q) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company thinks fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (r) To purchase or otherwise acquire letters, patents, brevets d'invention, concessions, licences, rights and privileges subject to royalty or otherwise, and whether exclusive or non-exclusive or limited, or any part interest in such letters, patents, brevet d'invention, concessions, licences, rights and privileges, whether in East Africa or in any other part of the world.

- (s) To take all necessary and proper steps with the authorities, national, local, municipal, or otherwise, of any place in which the Company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in to on constitution of the Company or furthering the interests of its members, and to oppose any steps taken by any other company or persons which may be considered likely, directly or indirectly, to prejudice the interest of the Company or its members.
- (t) To take part in formation, management, supervision or control of the business or operations of any company, and for that purpose to act as Directors, Administrators, Managers, Secretaries or any other capacity and to appoint and remunerate any directors, administrators, managers, accountants or other experts or agents.
- (u) To procure the registration of the Company in or under the laws of any place outside Tanzania.
- (v) To purchase, sell, subscribe for, underwrite, or otherwise acquire and hold shares, stocks, or other interest in, or obligations of any other company or corporation.
- (w) To distribute among the members of the Company in kind any property of the Company, and in particular any shares or securities of other companies belonging to this Company.
- (x) To act as agents, or brokers and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above business in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with others and either by or through agents, sub-contractors, trustees or otherwise.
- (y) To do all such other things as are incidental or conclusive to the attainment of the above objects or any of them. And it is hereby declared that the word 'Company' in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Tanzania or elsewhere, and that the intention is that each of the objects set forth in any sub-clause of this clause shall not, except when the context expressly so requires, be in any wise limited or restricted by reference to or inference from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause, but the Company shall have full powers to exercise all or any of the powers conferred by any part of this clause and notwithstanding that the business, undertaking, property or acts proposed to be transacted, acquired, dealt with are performed do not fall within the objects of the first sub-clauses of this clause.


- 4. The liability of the members is limited.
- 5. The authorised share capital of the Company is Shillings 1,000,000/= divided into 1,000 shares of Shs. 1,000/= each.

We, the several persons whose names, addresses and descriptions are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company opposite our respective names.

Names, Addresses and Description of Subscribers	No. of Shares Taken	Signature
1. MR. SADRUDIN SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
2. MRS. MEERA SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
3. MR. SHIRAZ SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	

DATED this 17th day of DEC. 1992

WITNESS to the above Signatures:

SIGNATURE : 

POSTAL ADDRESS : DESIDERI SEBASTIAN NGALO
ADVOCATE
Box 72349 DAR ES SALAAM
Box 1234

QUALIFICATION :



THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

IRON AND STEEL LIMITED

PRELIMINARY

1. In these regulations:

"The Ordinance" means the Companies Ordinance Chapter 212 of the Laws of Tanganyika.

When any provision of the Ordinance is referred to the reference in that provision as modified by any law for the time being in force.

Unless the context otherwise requires, the expressions defined in the Ordinance or any statutory modification thereof in force at the date at which these regulations become binding on the Company, shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing persons shall include bodies, corporate, partnership, firms, co-operative societies, etc.

The regulation of Table 'A' in the First Schedule to the Companies Ordinance (hereinafter called Table 'A') shall apply to the Company, save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under Table 'A' the former shall prevail, and in addition to substitution for or modification of the provisions of Table 'A' the following shall be the regulations of the Company.

PRIVATE COMPANY

2. The Company is a Private Company and accordingly:

- (a) The right to transfer shares is restricted in manner hereinafter prescribed.

- (b) The number of members of the Company (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment of the Company were in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty; provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this regulation be treated as a single member.
- (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue shares, warrants, to bearer.

TRANSFER OF SHARES

- 3. The Directors may in their discretion and without assigning any reason thereof refuse to register the transfer of any share to any person whom it shall in their opinion be undesirable for any person whatsoever to admit to membership.
- 4. Subject to Clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows:
 - (a) No share shall be transferred to a person who is not a member so long as there is a member or any person selected by the Directors as one who it is desirable in buying the shares. All share transfers shall be confirmed by the Board of Directors.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such share and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of any member or members of the Company at a price to be agreed upon between the party giving such notice and the Board, or in case of difference to be determined by the Auditor of the Company.
 - (c) Upon price of such shares being agreed on or determined as per Clause (b) above; the Board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares stating the number and the price of such shares inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so, what maximum number of such shares. At such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase the same and as far as may be pro-rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be obliged to take more than the maximum of such shares stated in his answer to the notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to the single shareholder who shall have agreed to purchase the same.

GENERAL MEETING

NOTICE OF GENERAL MEETING AND PROCEEDINGS AT GENERAL MEETING

5. Articles 39 to 53 of Table 'A' shall apply subject to the following variations:
- (a) A general meeting, ordinary or extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.
 - (b) Two members, present either personally or by proxy shall form a quorum.
 - (c) Any ordinary resolution of the Company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and of the members of the Company holding three-fourths of the issued shares of the Company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the Company.

DIRECTORS

6. (a) Until otherwise determined by the Company in general meeting the Directors shall not be less than two and not more than ten in number.
- (b) The following persons shall be the first Directors to the Company:
1. MR. SADRUDIN SHARIFF
 2. MR. SADRUDIN MANGALJI
 3. MR. SULTAN RASHID
7. The shareholding qualifications for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.
8. The quorum of Directors for transacting business shall unless otherwise fixed, by the Directors, be two.
9. A resolution in writing signed by all the Directors then in Tanzania shall be valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.

10. The Directors may from time to time borrow or raise moneys for the purpose of the Company which may exceed the issued share capital of the Company.

BORROWING POWERS

11. The Directors may raise or borrow for the purpose of the Company's business any sum or sums of moneys as they think fit and they may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled or unissued capital or by the issue, at such price as they may think fit, of bonds or debentures, either charged upon the whole or any part of the property and assets for the Company, or not charged, or in such other way as the Directors may think expedient.

ALTERNATE DIRECTORS

12. Each Director may nominate a person, who shall be approved of in writing by the other Directors, to act as Alternate in his place during his absence from Tanzania or inability to act as such Director. Such Alternate Director shall be subject in all other respects to the terms and conditions existing with reference to the Directors of the Company, and such Alternate Directors when acting shall exercise and discharge all the duties and functions of the Director whom he represents and in the case of an Alternate Director being unable to act during the absence or inability to act as the Director whom he represents he may subject to the like approval of the other Directors appoint a duly qualified person to act in his place.

SECRETARY

13. The Secretary shall be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

WINDING UP

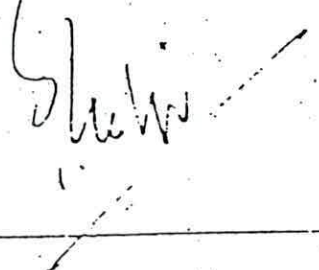

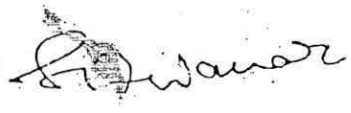
14. With the sanction of the special resolution of the Shareholder any part of the assets of the Company including any share in other companies may be divided between the members of the Company in specie or may be vested in Trustee for the benefit of such members and the liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any shares whereupon there is any liability.

INDEMNITY

15. Every Director, Managing Director, Agent, Auditor, Secretary and other office for the time being of the Company against any liability incurred by him, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or is in connection with any application (under Section 245 of the Ordinance) in which relief is granted to him by the Court.


ALTERATIONS OR ADDITIONS

16. Subject to the provisions of the Ordinance and to those contained in the Memorandum of Association, the Company may by Special Resolution make alterations or additions to the Articles of Association and any such alterations or addition so made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by Special Resolution.

Names, Addresses and Description of Suoscribers	No. of Shares Taken	Signature
1. MR. SADRUDIN SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
2. MRS. MEERA SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
3. MR. SHIRAZ SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	

DATED at Dar es Salaam this 17 day of DEC 1992.

WITNESS to the above Signatures:

SIGNATURE : 

POSTAL ADDRESS : DESIDERI SEBASTIAN NGALO
ADVOCATE
Box: 72349. DAR-ES-SALAAM

QUALIFICATION :





PROPERTY RATES BILL FOR YEAR 2011
BILI YA KODI YA MAJENGO YA MWAKA 2011



TANZANIA REVENUE AUTHORITY

If undelivered please return to P.O Box 9774, Dar es Salaam, Tanzania

IRON AND STEEL LTD.
Plot No. 33 Block No.
MOKOCHENI INDUSTRIAL AREA
P.O. Box 20427
DAR ES SALAAM

TIN 100-142-643

Property Ref. No.	Bill No.	Amount Payable (TSH)	Date
Namba Ya Kumbukumbu Ya Jengo KIN/004/008/728.1	Namba Ya Bili 1000/0092/2190	1,646,400.00	27-12-2010
Property Id: 215695	Flatrate <input checked="" type="checkbox"/>	Rateable Value 0.00	Rate % 0

Location / Mahali Lilipo Jengo

Ward	Mtaa	Plot No.	Block	House No.	Street
Mikocheni	MIKOCHENI A	13			INDUSTRIAL AREA

PROPERTY RATES BILL FOR YEAR 2011

The Tanzania Revenue Authority on behalf of Kinondoni Municipal Council under the Urban Authorities (Rating) Act No. 2 of 1983 and the Kinondoni Municipality Property Rates (By Laws) of 2002 imposes Property Rates for your above property included in the Gazetted Kinondoni Valuation Roll/Supplementary roll/ flat rated property and is notifying you that Rates of TSH **1,646,400.00** for the above year should be paid on or before 30-June-2011.

Failure to that a 25% penalty and compound interest of 1% shall be imposed on the Principal sum.

Occupier shall be eligible to pay the rates if the owner does not show up for payment.

Payment to be made in favor of the **Commissioner for Domestic Revenue - Property Rates** at any of the attached Bank list leaf using prescribed Pay in slip. Please arrange to pay previous years liabilities if not paid.

BILI YA KODI YA MAJENGO YA MWAKA 2011

Mamlaka ya Mapato Tanzania kwa niaba ya Halmashauri ya Manispaa ya Kinondoni, chini ya Sheria ya Mamlaka ya Miji (Kodi) Nam.2 ya mwaka 1983 na Kodi ya Majengo ya Manispaa ya Kinondoni (Sheria Ndogo) ya mwaka 2002 inatoza kodi ya Majengo kwa jengo lililotajwa hapo juu ikiwemo Kodi iliyotathminiwa na Kutangazwa na Manispaa ya Kinondoni/Orodha ya Nyongeza/Kiwango cha Kodi cha Jumla na inakuarifu kuwa kodi ya TSH **1,646,400.00** ya mwaka uliyotajwa lazima ilipwe ifikapo au kabla ya 30-June-2011.

kushindwa kulipa kutasababisha adhabu ya 25% na riba zalishi ya 1% itatozwa katika kiasi cha deni la awali.

Mkazi anastahili kulipa kodi hiyo kama mmiliki wa jengo hawajaitokeza kulipa

Malipo yafanywe kwa jina la "**Commissioner for Domestic Revenue - Property Rates**" katika mojawapo ya benki zilizoorodheshwa kwenye ukurasa unaofuata kwa kutumia Hati ya malipo iliyoidhinishwa.

Tafadhali Lipa Kama una deni/madeni ya miaka ya nyuma.

Catherine X. Nkelebe
For REGIONAL MANAGER / MENEJA MKOA

Kinondoni Tax Region

Address:
Shekilango Road, Africa Sana Road
Morogoro Road NSSF Building

Mail:
P. O. Box 9774,
Dar es Salaam, Tanzania

Telephone:
022-2771841
022-2771846
022-2771859

Fax:
022-2771861
022-2771869
022-2131656

15-06-2011 8:33

Page 1 of 1

Internet:
www.tra.go.tz
e-mail:
rm_kinondoni@tra.go.tz



National Bank of Commerce Limited

Head of Corporate Banking

P. O. Box 1863, Dar es Salaam, Tanzania
Infosys House, Plot17 Mwindu Lane - Kinondoni

Tel: +255 (0) 22 2666815

Fax: +255 (0) 22 2666062

Swift address: NLCBTZTX

e-mail: corpbanking@nbctz.com

www.nbctz.com

Private and Confidential

Friday, February 03, 2012

Tanzania Investment Centre
Shaaban Robert Street
P.O. Box 938
Dar es Salaam
Tanzania

Dear Sir,

BANKERS' REFERENCE: IRON AND STEEL COMPANY LTD

Iron and Steel Company limited is a valued corporate customer of NBC Limited. From our knowledge of the shareholders, directors and senior management team of the company, we believe them to be honest and of high integrity. We believe that it is unlikely they would commit the company beyond its ability to honor the company's obligations.

NBC limited has extended financial assistance to the group to finance the group's working capital facilities and would be happy to support the group in the future.

This information is strictly provided for normal business transactions and NBC Ltd will not be liable for any misconduct whatsoever arising during the course of business.

This reference is given without commitment from the Bank or any of its officers.

Yours faithfully,

Manfred Darr

AG: Head of Corporate Banking

National Bank of Commerce Limited Reg. No. 32700

DIRECTORS: Dr. M.J. ASSAD* (Chairman), A. ST .V. DE LA RUE **** (Non-Executive),
L.N.MAFURU* (Managing-Executive), F. J. DU TOIT** (Non-Executive), A. R. MPUNGWE* (Non-Executive),
S. C. MSANGI* (Non Executive), Dr. K. HUSSEIN* (Non Executive), A.P. VAN JAARSVELD** (Executive),
D. J. BRITS** (Non-Executive), JOHN GACHORA*** (Non-Executive), C. RUBAMBE*(Company Secretary).

(* TANZANIAN, ** SOUTH AFRICAN, *** KENYAN, **** BRITISH).

Form 128

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENCING AGENCY

Filing Fee Shs. 15,000/=

FORM OF ANNUAL RETURN OF A COMPANY
HAVING A SHARE CAPITAL

The Companies Act 2002, Section 128

IRON & STEEL LIMITED

2010

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENCING AGENCY

Annual Return of a Company
Pursuant to Section 128 of the Companies Act 2002

Company Number 22272

Name of the Company
(Full Name) *IRON & STEEL LIMITED*

The information in this return is made up to *31st Day of December 2010*

Address of Registered Office of the Company *Plot No: 33, Mikocheni Light Industrial Area – Dar-es-salaam*

Company Type *Private*

(If the company does not have a share capital there must be annexed to the return a Statement containing particulars of the total amount of indebtedness of the company in respect of all mortgages and charges required to be registered under the Act)

Principal Business Activities *Steel & Iron bar Manufacturers*

If different from the registered Office, state address where the Register of members or any Register of debenture holders is kept

Register of Members	<i>Same as Above</i>
Register of Debenture Holders	<i>Same as Above</i>

Company Secretary

Name	<i>Baker Tilly DGP & Co., Certified Public Accountants</i>
Previous Name(s)	<i>None</i>
Address	<i>P.O. Box 1314 – Dar-es-salaam</i>

FOR OFFICIAL USE ONLY

Directors

(Use additional copies of this sheet if necessary)

Name <i>Sadrudin Shariff</i>	Business Occupation <i>Director</i>
Previous Name(s) <i>None</i>	Nationality <i>Tanzanian</i>
Address <i>Plot No: 111, Chole Road, Msasani Peninsular, Kinondoni District – Dar-es-salaam</i>	Date of Birth <i>09/07/1936</i>
Other relevant past or present directorships	
<i>Director in Shariff Investments Ltd</i>	

Name <i>Sadrudin Mangalji</i>	Business Occupation <i>Director</i>
Previous Name(s) <i>None</i>	Nationality <i>Canadian</i>
Address <i>C/O JPF Investments Ltd, 1500-701W, Georgia Street, Vancouver BC, Postal Code V7Y1A1 - Canada</i>	Date of Birth <i>06/05/1931</i>
Other relevant past or present directorships	
<i>Director in New Kilimanjaro Textile Mills Ltd, Nyakato Steel Mills Ltd & Musoma Textile Mills Tanzania Ltd</i>	

Name <i>Amin Mohamed Ramji</i>	Business Occupation <i>Director</i>
Previous Name(s) <i>None</i>	Nationality <i>Tanzanian</i>
Address <i>Plot No: 399/9, Indira Gandhi Street – Dar-es-salaam</i>	Date of Birth <i>07/07/1951</i>
Other relevant past or present directorships	
<i>Director in New Kilimanjaro Textile Mills Ltd, Nyakato Steel Mills Ltd & Musoma Textile Mills Tanzania Ltd</i>	

Name <i>Abdulaziz Lalani</i>	Business Occupation <i>Director</i>
Previous Name(s) <i>None</i>	Nationality <i>Kenyan</i>
Address <i>Plot No: 124B, Uganda Avenue – Dar-es-salaam</i>	Date of Birth <i>06/04/1949</i>
Other relevant past or present directorships	
<i>Director in New Kilimanjaro Textile Mills Ltd, Nyakato Steel Mills Ltd, Musoma Textile Mills Tanzania Ltd, Adept Impex Ltd, MV Safari Ltd & Regency Medical Centre Ltd</i>	

Issued Share Capital

Enter details of all the shares in issue at the date of the return

	Class	Number of Shares Issued	Aggregate Nominal Value
1	Ordinary	2,000,000	2,000,000,000/=
2			
3			
4			
5			
Totals:		2,000,000	2,000,000,000/=

List of past and present members

A full list is required if one was not included with either of the last two returns.

There were no changes in the period

A list of changes is enclosed (pages 4 and 5)

N/A

A full list of members is enclosed (pages 4 and 5)

I certify that the information given in this return is true to the best of my knowledge and belief.

Signed Date.....

Director/Secretary

LIST OF PAST AND PRESENT MEMBERS (Continued on Page 5)
 (Use additional copies of this sheet if necessary)

	Names and Addresses
1	<i>Shiraz Shariff, P.O. Box 20427, - Dar-es-salaam</i>
2	<i>Shariff Investments Ltd, P.O. Box 20427 - Dar-es-salaam</i>
3	<i>Sadrudin Mangalji, C/O JPF Investments Ltd, 1500-701W, Georgia Street, Vancouver BC, Postal Code V7Y1A1 - Canada</i>
4	<i>Majid Mangalji, C/O JPF Investments Ltd, 1500-701W, Georgia Street, Vancouver BC, Postal Code V7Y1A1 - Canada</i>
5	<i>Moez Mangalji, C/O JPF Investments Ltd, 1500-701W, Georgia Street, Vancouver BC, Postal Code V7Y1A1 - Canada</i>
6	<i>Farid Mangalji, C/O JPF Investments Ltd, 1500-701W, Georgia Street, Vancouver BC, Postal Code V7Y1A1 - Canada</i>
7	<i>Amin Ramji, P.O. Box 100 - Dar-es-salaam</i>
8	<i>Mehboob Ramji, P.O. Box 347 - Mwanza</i>
9	<i>Avelino Foundation, C/O Credit Agricool Indosuez, Geneva - Switzerland</i>
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

LIST OF PAST AND PRESENT MEMBERS (Continued from Page 4)
 (Use additional copies of this sheet if necessary)

	Number of shares or amount of stock held by existing members at date of return	Particulars of shares transferred since the date of the last return (or, in case of the first return, of the incorporation of the company) by (a) persons who are still members, and (b) persons who have ceased to be members	Remarks
1	1		
2	424,199		
3	324,200		
4	33,333		
5	33,333		
6	33,333		
7	363,700		
8	363,700		
9	424,200		
10	<u>2,000,000</u>		
11			
12			
13			
14			
15			
16			
17			

THE COMPANIES ORDINANCE
(CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM

and

ARTICLES

of

ASSOCIATION

of

IRON AND STEEL LIMITED

.....

Incorporated this day of 199

.....

Drawn by: MR. SADRUDIN SHARIFF
(SUBSCRIBER)
P O BOX 20427
DAR ES SALAAM
TANZANIA

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF
IRON AND STEEL LIMITED

AS 1102914 17-12-92
50

251 = 500
AS 1102914 0:
17-12-92

1. The name of the Company is "IRON AND STEEL LIMITED".
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are:
 - (a) To carry on the business of manufacturing of raw materials related to steel and metal and to buy and sell steel and metal products and deal in these products as principals or as agents of other companies from within the country or from outside this country; to enter into joint venture with other companies either from within the country or outside in the business of selling, manufacturing, buying or turning any type of steel or metal into any form.
 - (b) To own, manage, purchase, lease or otherwise, iron ore mines and other mines, mining rights and metal life, own land in Tanzania or elsewhere, prepare for market ore metal and mineral substances of all kinds and carry on any other metallurgical operations which may seem conducive to any of the company's objects.
 - (c) To engage and otherwise carry on the business of timber manufacturing, to own sawmills, to be furniture makers and distributors of timber and metal products; to carry on the business of importers, exporters of hardwares, metal products and steel products, electrical goods, motor spare parts and generally as agents, sellers representatives, commission agents, brokers or trustees for any form of a company or firms in respect of any nature.
 - (d) To carry on and otherwise engage in the business of general traders, trading agents, clearing and forwarding agents, to be owners and operators of super market, provision store, groceries of all kinds and descriptions, to be transporters and transporters agents, insurance agents, brokerage agents and establish and operate bureaux de change.
 - (e) To carry on the business of buying and selling of building materials, hardware, electrical goods and household items, electrical bulbs, accumulators, meters, engines, dynamos, airconditioners, elevators, generators and component parts thereof, wiring and other materials, ironmongers, timber, oils, paints, spirits and varnishes, house furnishers, upholsterers, furniture, carpets, linoleums and other floor coverings, curtains, cement, corrugated iron sheets, bolts and nuts and generally to deal in hardware, building materials and electrical equipments.

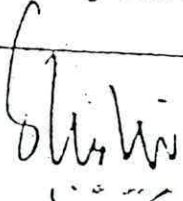


- (f) To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the Company is authorised to carry on, or possess property suitable for the purpose of this Company.
- (g) To invest and deal with moneys of the Company not immediately required upon each securities and in such manner as may from time to time be determined.
- (h) To purchase, lease, or otherwise acquire, and to hold, sell, improve, develop, exchange, mortgage or otherwise dispose of any lands, buildings, machinery or plants, mills, factories, warehouses or any hereditaments.
- (i) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works, art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (j) To enter into arrangements with any Government or authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons having objects that may seem conducive to the Company's objects or any of them, and to obtain from any such Government, Authority, Corporation, Company or person, any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (k) To enter into (partnership or into) any arrangements for sharing profits, union or interests, co-operation, joint venture, reciprocal, concession, or otherwise with any persons, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on, or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. And to lend money to, guarantee the contracts of, or otherwise assist, any such person, firm or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, reissue with or without guarantee, or otherwise deal with the same.
- (l) To promote any other company for the purpose of acquiring all or any of the property, and undertaking, or any of the liabilities of this Company, or of undertaking any business or operation which may appear likely to assist or benefit this Company, or to enhance the value of the property or business of this Company, and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of each company as aforesaid.

- (m) To lend and advance money or give credit to such persons, firm or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give guarantee to become surety for any persons, firms or companies for the due payment of money for the performance of any obligations or liabilities.
- (n) To receive money or deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of money borrowed, raised or owing by mortgage charge or lien upon all or any of the property or assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be.
- (o) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (p) To establish and support or aid in the establishment and support of association, institutions, funds, trusts, and clubs calculated to benefit the employees or ex-employees of the Company, or any of its predecessors in business, or of any company which is a subsidiary company of the Company or is allied thereto or associated therewith, or dependents or connections of such persons, and to grant or provide pensions and allowances, to make or enter into arrangements for the provisions of policies of life assurance, pensions or other benefits to or for any Directors or employees of the Company, or any such predecessor or such company as aforesaid, or the relations, connections or dependents of any such persons, to pay or contribute towards the payment of premiums in respect of any such policies, pensions or benefits, to establish or support funds, trusts and scheme (including funds, trusts, and scheme providing for payment towards insurance) which may be considered calculated to promote such persons or benefit.
- (q) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company thinks fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (r) To purchase or otherwise acquire letters, patents, brevets d'invention, concessions, licences, rights and privileges subject to royalty or otherwise, and whether exclusive or non-exclusive or limited, or any part interest in such letters, patents, brevet d'invention, concessions, licences, rights and privileges, whether in East Africa or in any other part of the world.

- (s) To take all necessary and proper steps with the authorities, national, local, municipal, or otherwise, of any place in which the Company may have interests, and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in to on constitution of the Company or furthering the interests of its members, and to oppose any steps taken by any other company or persons which may be considered likely, directly or indirectly, to prejudice the interest of the Company or its members.
- (t) To take part in formation, management, supervision or control of the business or operations of any company, and for that purpose to act as Directors, Administrators, Managers, Secretaries or any other capacity and to appoint and remunerate any directors, administrators, managers, accountants or other experts or agents.
- (u) To procure the registration of the Company in or under the laws of any place outside Tanzania.
- (v) To purchase, sell, subscribe for, underwrite, or otherwise acquire and hold shares, stocks, or other interest in, or obligations of any other company or corporation.
- (w) To distribute among the members of the Company in kind any property of the Company, and in particular any shares or securities of other companies belonging to this Company.
- (x) To act as agents, or brokers and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above business in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with others and either by or through agents, sub-contractors, trustees or otherwise.
- (y) To do all such other things as are incidental or conclusive to the attainment of the above objects or any of them. And it is hereby declared that the word 'Company' in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated; and whether domiciled in Tanzania or elsewhere, and that the intention is that each of the objects set forth in any sub-clause of this clause shall not, except when the context expressly so requires, be in any wise limited or restricted by reference to or inference from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause, but the Company shall have full powers to exercise all or any of the powers conferred by any part of this clause and notwithstanding that the business, undertaking, property or acts proposed to be transacted, acquired, dealt with are performed do not fall within the objects of the first sub-clauses of this clause.

4. The liability of the members is limited.
5. The authorised share capital of the Company is Shillings 1,000,000/= divided into 1,000 shares of Shs.1,000/= each.

We, the several persons whose names, addresses and descriptions are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company opposite our respective names.

Names, Addresses and Description of Subscribers	No. of Shares Taken	Signature
1. MR. SADRUDIN SHARIFF P O. Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
2. MRS. MEERA SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
3. MR. SHIRAZ SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	

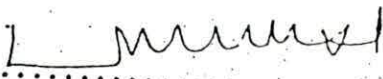
DATED this 17th day of DEC. 1992

WITNESS to the above Signatures:

SIGNATURE :

POSTAL ADDRESS :

QUALIFICATION :



 DESIDERI SEBASTIAN NGALO

 ADVOCATE

 Box 72349 DAR ES SALAAM

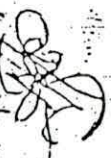
 Box 1234 Dar es Salaam



801=

5-21-71 17-12-5

7520118#



THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

IRON AND STEEL LIMITED

TANGANYIKA

40 = PAID

17-12-5

17-12-5



PRELIMINARY

1. In these regulations:

"The Ordinance" means the Companies Ordinance Chapter 212 of the Laws of Tanganyika.

When any provision of the Ordinance is referred to the reference in that provision as modified by any law for the time being in force.

Unless the context otherwise requires, the expressions defined in the Ordinance or any statutory modification thereof in force at the date at which these regulations become binding on the Company, shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing persons shall include bodies, corporate, partnership, firms, co-operative societies, etc.

The regulation of Table 'A' in the First Schedule to the Companies Ordinance (hereinafter called Table 'A') shall apply to the Company, save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under Table 'A' the former shall prevail, and in addition to substitution for or modification of the provisions of Table 'A' the following shall be the regulations of the Company.

PRIVATE COMPANY

2. The Company is a Private Company and accordingly:

(a) The right to transfer shares is restricted in manner hereinafter prescribed.

- (b) The number of members of the Company (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment of the Company were in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty; provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this regulation be treated as a single member.
- (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue shares, warrants, to bearer.

TRANSFER OF SHARES

- 3. The Directors may in their discretion and without assigning any reason thereof refuse to register the transfer of any share to any person whom it shall in their opinion be undesirable for any person whatsoever to admit to membership.
- 4. Subject to Clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows:
 - (a) No share shall be transferred to a person who is not a member so long as there is a member or any person selected by the Directors as one who it is desirable in buying the shares. All share transfers shall be confirmed by the Board of Directors.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such share and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of any member or members of the Company at a price to be agreed upon between the party giving such notice and the Board, or in case of difference to be determined by the Auditor of the Company.
 - (c) Upon price of such shares being agreed on or determined as per Clause (b) above; the Board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares stating the number and the price of such shares inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so, what maximum number of such shares. At such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase the same and as far as may be pro-rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be obliged to take more than the maximum of such shares stated in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to the single shareholder who shall have agreed to purchase the same.

GENERAL MEETING

NOTICE OF GENERAL MEETING AND PROCEEDINGS AT GENERAL MEETING

5. Articles 39 to 53 of Table 'A' shall apply subject to the following variations:
- (a) A general meeting, ordinary or extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.
 - (b) Two members, present either personally or by proxy shall form a quorum.
 - (c) Any ordinary resolution of the Company determined without any general meeting, and evidenced by writing under the hands of majority of the Directors and of the members of the Company holding three-fourths of the issued shares of the Company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the Company.

DIRECTORS

6. (a) Until otherwise determined by the Company in general meeting the Directors shall not be less than two and not more than ten in number.
- (b) The following persons shall be the first Directors to the Company:
1. MR. SADRUDIN SHARIFF
 2. MR. SADRUDIN MANGALJI
 3. MR. SULTAN RASHID
7. The shareholding qualifications for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.
8. The quorum of Directors for transacting business shall unless otherwise fixed, by the Directors, be two.
9. A resolution in writing signed by all the Directors then in Tanzania shall be valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.

10. The Directors may from time to time borrow or raise for the purpose of the Company which may exceed the share capital of the Company.

BORROWING POWERS

11. The Directors may raise or borrow for the purpose of Company's business any sum or sums of moneys as they think fit and they may secure the repayment of or raise any sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled or unissued capital by the issue, at such price as they may think fit, of debentures or debentures, either charged upon the whole or any part of the property and assets for the Company, or not charged upon or in such other way as the Directors may think expedient.

ALTERNATE DIRECTORS

12. Each Director may nominate a person, who shall be approved in writing by the other Directors, to act as Alternate Director in his place during his absence from Tanzania or inability to act as such Director. Such Alternate Director shall subject in all other respects to the terms and conditions existing with reference to the Directors of the Company and such Alternate Directors when acting shall exercise and discharge all the duties and functions of the Director whom he represents and in the case of an Alternate Director being unable to act during the absence or inability to act as such Director whom he represents he may subject to the like approval of the other Directors appoint a duly qualified person to act in his place.

SECRETARY

13. The Secretary shall be appointed by the Board for such term and at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

WINDING UP

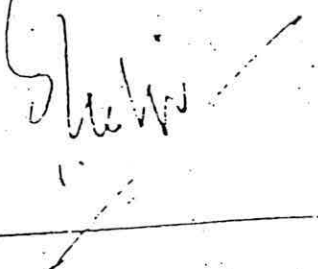
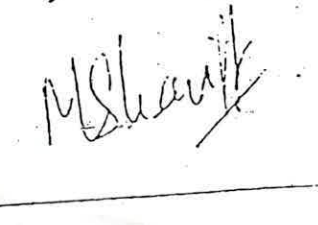
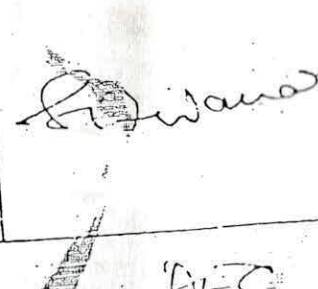
14. With the sanction of the special resolution of the Shareholders any part of the assets of the Company including any shares in other companies may be divided between the members of the Company in specie or may be vested in Trustee for the benefit of such members and the liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any shares whereupon there shall be no liability.

INDEMNITY

- 15. Every Director, Managing Director, Agent, Auditor, Secretary and other office for the time being of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or is in connection with any application (under Section 245 of the Ordinance) in which relief is granted to him by the Court.

ALTERATIONS OR ADDITIONS

- 16. Subject to the provisions of the Ordinance and to those contained in the Memorandum of Association, the Company may by Special Resolution make alterations or additions to the Articles of Association and any such alterations or addition so made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by Special Resolution.

Names, Addresses and Description of Subscribers	No. of Shares Taken	Signature
1. MR. SADRUDIN SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
2. MRS. MEERA SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	
3. MR. SHIRAZ SHARIFF P O Box 20427 DAR ES SALAAM TANZANIA	1 (One)	

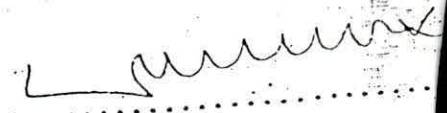
DATED at Dar es Salaam this 17 day of DEC 1992.

WITNESS to the above Signatures:

SIGNATURE :

POSTAL ADDRESS :

QUALIFICATION :


 DESIDERI SEBASTIAN NGALO
 ADVOCATE
 Box: 72349, DAR-ES-SALAAM





BAKER TILLY

DGP & CO

Certified Public Accountants

M/S. IRON & STEEL LIMITED

P. O. Box 20427,

Dar es Salaam,

Annual Report 2008



an independent member of
BAKER TILLY
INTERNATIONAL

M/S. IRON & STEEL LIMITED. P.O.BOX 20427 - DAR-ES-SALAAM

CORPORATE INFORMATION

Board of Directors

: Mr Amin Ramji
: Mr. Abdul Aziz Lalani
: Mr. Sadrudin Shariff
: Mr. Sadrudin Mangalji

Managing Director
Director
Director
Director

Registered & Works Office

: Plot No. 33.
Mikocheni Light Industrial Area
P. O. Box 20427
Dar-es-salaam

Auditors

: Baker Tilly DGP & Co.,
Certified Public Accountants,
P.O.Box 1314
Dar-es-salaam

Principal Bankers

: National Bank of Commerce
Corporate Branch,
P.O.Box 9062
Dar-es-salaam

M/S. IRON & STEEL LIMITED. P.O.BOX 20427 - DAR-ES-SALAAM

REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008

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Auditors Report	3-4
Balance Sheet	5
Profit & Loss Account	6
Cash Flow Statement	7
Notes to the Financial Statements	8-13

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2008

1. The Directors have pleasure in submitting their report together with the audited Financial Statements for the year ended 31st December 2008, which disclose the state of affairs of the company.

2. Principal Activities

The principal activities of the company continued to be manufacturing and selling of High tensile & Mild Steel Bars.

The annual turnover earned during the year was **Tshs. 5,619,785,355/-**

3. Administrative Efficiency

Payments of all the statutory dues such as Pay As You Earn, National Social Security Fund, Skills & Development Levy and VAT were generally made in time.

4. Employee Welfare

Regular in house training facilities have continued to be a feature of the company's employee upgrading plans.

The Management/Employee relationship remained cordial throughout the year.

5. Factors Affecting the Solvency of the Company

The Financial position of the company is shown in the Financial Statements presented herewith.

The company has secured the overdraft facilities and term loans from NBC Bank by securing the first charge on the factory land & building.

6. Related Party Transactions

There were transactions of sale and purchase of goods with Companies in which Directors are interested. We believe that transactions with all such parties have been entered at an arms' length.

7. Dividends

The Directors do not recommend any dividend for the year.

8. Directors Responsibilities

As Directors, it is our responsibility to prepare the financial statements for each financial year that gives a true and fair view of the state of affairs of the company at the end of the financial year. We are also responsible for keeping proper accounting records in line with the provisions of section 122 of the Companies Act, 2002 for taking reasonable steps to safeguard the assets of the company, to prevent, detect fraud and other irregularities.

We confirm that suitable accounting policies have been adopted and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the Financial Statements for the year ended on 31st December 2008. We also confirm that the applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

9. Directors

The Directors of the company who were on Board during the year were:

<u>Name</u>	<u>Nationality</u>	<u>Changes Thereof</u>
Mr. Amin Ramji	Tanzanian	-
Mr. Abdul Aziz Lalani	Kenyan	-
Mr. Sadrudin Shariff	Tanzanian	-
Mr. Sadrudin Mangalji	Canadian	-

10. Auditors

The auditors, M/s. Baker Tilly DGP & Co. Certified Public Accountants have expressed their willingness to continue in office and are eligible for re-appointment.

BY ORDER OF THE BOARD


.....
DIRECTOR


.....
DIRECTOR

DAR-ES-SALAAM
DATE: 29 JUN 2009



BAKER TILLY DGP & CO

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IRON & STEEL LIMITED

2nd Floor, Mahavir Building,
Opp. Econo Lodge, Off Libya Street
P. O. Box - 1314, Dar es Salaam
Tanzania
Tel: +255 22 2112128, 2125597
Fax: +255 22 2122300
Email: info@bakertillydgp.com
www.bakertillydgp.com

We have audited the accompanying financial statements of M/s. Iron & Steel Limited, set out herewith, which comprises of Balance sheet as at 31st December 2008, income statement, statement of change in equity and cash flow statement for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report:

1. Stock as at 31st December 2008 is verified and valued by the Management.
2. Confirmations of balances of Debtors, Creditors and Advances as at 31st December 2008 were not provided to us for our verification.

Opinion

In our opinion, the financial statements of the company, subject to above, give a true and fair view of the state of affairs of the company as on 31st December 2008 and of its profit/ loss for the year then ended and its cash flows for the period then ended and are not prepared in accordance with the International Financial Reporting Standards and not complying with the requirements of the Companies Act, 2002.

Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,



K. S. Bhattbhatt
Partner



Place : Dar Es Salaam

Dated : 29 JUN 2009

We report:

1. Stock as at 31st December 2008 is verified and valued by the Management.
2. Confirmations of balances of Debtors, Creditors and Advances as at 31st December 2008 were not provided to us for our verification.

Opinion

In our opinion, the financial statements of the company, subject to above, give a true and fair view of the state of affairs of the company as on 31st December 2008 and of its profit/ loss for the year then ended and its cash flows for the period then ended and are not prepared in accordance with the International Financial Reporting Standards and not complying with the requirements of the Companies Act, 2002.

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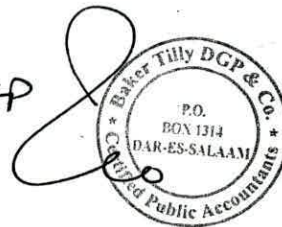
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- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,



K. S. Bhattbhatt
Partner



Place : Dar Es Salaam

Dated : 29 JUN 2009

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

BALANCE SHEET AS AT 31ST DECEMBER, 2008

	<u>NOTE</u>	<u>2008</u> <u>Tshs</u>	<u>2007</u> <u>Tshs</u>
<u>ASSETS</u>			
<u>FIXED ASSETS</u>	5	1,983,784,459	1,962,934,147
<u>CURRENT ASSETS</u>			
Stocks	6	2,520,180,354	2,145,979,662
Sundry Debtors		408,085,102	374,070,760
Deposits, Prepayments & Advances	7	162,962,287	96,969,128
Bank Balances & Cash	8	13,856,511	26,912,100
		<u>3,105,084,254</u>	<u>2,643,931,649</u>
<u>CURRENT LIABILITIES</u>			
Bank Overdrafts	9	2,182,918,779	1,386,088,485
Sundry Creditors		320,021,231	303,273,798
Proposed Dividend		-	45,000,000
Other Liabilities	10	229,109,260	408,117,378
Provision for Taxation		43,434,619	11,147,975
		<u>2,775,483,890</u>	<u>2,153,627,635</u>
NET CURRENT ASSETS		<u>329,600,364</u>	<u>490,304,014</u>
NET ASSETS		<u><u>2,313,384,824</u></u>	<u><u>2,453,238,160</u></u>
<u>FINANCED BY:</u>			
Share Capital	11	2,000,000,000	2,000,000,000
Long Term Loans	12	291,349,777	447,529,333
Retained Earnings	13	22,035,046	5,708,827
		<u><u>2,313,384,824</u></u>	<u><u>2,453,238,160</u></u>

The financial statements on pages 5 to 13 were approved by the Board of Directors and were signed on their behalf :-

Notes on Pages 8-13 form part of these Financial Statements

Report of Auditors on Page 3-4

As per our report of even date
For **BAKER TILLY DGP & CO.,**
CERTIFIED PUBLIC ACCOUNTANTS

Baker Tilly DGP & Co.
P.O. BOX 134
DAR-ES-SALAAM
Certified Public Accountants

(K. S. Bhattbhatt)
Partner
Dar-es-Salaam, Tanzania

Date: 29 JUN 2009

[Signature]
Director

Date: 29 JUN 2009

[Signature]
Director

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2008

	<u>NOTES</u>	<u>2008</u> <u>Tshs</u>	<u>2007</u> <u>Tshs</u>
<u>INCOME</u>			
Sale of Iron Bars		5,619,785,355	5,423,401,507
<u>Cost of Sales</u>			
Opening Stock of Finished Goods		603,375,233	456,631,450
Add: Cost of Goods Manufactured	14	<u>4,753,686,256</u>	<u>5,007,702,006</u>
		5,357,061,489	5,464,333,456
Less: Closing Stock of Finished Goods		<u>418,488,224</u>	<u>603,375,233</u>
		4,938,573,266	4,860,958,223
GROSS PROFIT		681,212,089	562,443,284
<u>LESS: OPERATING EXPENSES</u>			
Administration & Establishment	15	249,903,266	234,455,944
Selling & Distribution	16	17,023,775	16,671,098
Other Expenses	17	3,478,524	14,759,728
Financial Charges	18	<u>306,591,382</u>	<u>249,214,560</u>
		576,996,947	515,101,330
Operating Profit/(Loss) Before Taxation		104,215,142	47,341,954
Add: Other Incomes	19	<u>63,232,950</u>	<u>858</u>
Profit/(Loss) for the Year Before Tax		167,448,092	47,342,812
Taxation for the year		<u>43,434,619</u>	<u>11,147,975</u>
Profit/(Loss) for the Year after Tax		124,013,473	36,194,837
Add: Balance Brought Forward		<u>5,708,827</u>	<u>48,112,665</u>
		129,722,300	84,307,502
Less: Tax Provision for Earlier Years		107,687,254	28,598,675
Prior Year Adjustments		-	-
		<u>22,035,046</u>	<u>55,708,827</u>
Less: Proposed Dividend		-	50,000,000
RETAINED PROFITS CARRIED FORWARD		<u>22,035,046</u>	<u>5,708,827</u>

Notes on Pages 8-13 form part of these Financial Statements

.....
Director

DATE: 29 JUN 2009

.....
Director

Date: - 29 JUN 2009

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008

	<u>2008</u> <u>Tshs</u>	<u>2007</u> <u>Tshs</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit Before Tax	167,448,092	47,342,812
Adjustment For: Depreciation	262,367,760	260,382,460
	<u>429,815,852</u>	<u>307,725,272</u>
(Increase)/Decrease in Stocks	(374,200,693)	(464,554,631)
(Increase)/Decrease in Debtors, Prepayments & Advances	(130,007,501)	378,121,117
Increase/(Decrease) in Bank Overdraft	796,830,295	24,968,384
Increase/(Decrease) in Creditors & Other Liabilities	(162,260,685)	245,847,398
	<u>130,361,417</u>	<u>184,382,267</u>
CASH GENERATED FROM OPERATIONS	560,177,269	492,107,539
Less: Tax paid	(88,835,229)	(57,045,076)
NET CASH FROM OPERATING ACTIVITIES	A <u>471,342,040</u>	<u>435,062,463</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase/(Decrease) in Long Term Loans	(156,179,556)	(82,679,000)
Dividends Paid	(45,000,000)	(70,000,000)
NET CASH USED IN FINANCING ACTIVITIES	B <u>(201,179,556)</u>	<u>(152,679,000)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Assets	(283,218,072)	(291,999,506)
NET CASH USED IN INVESTING ACTIVITIES	C <u>(283,218,072)</u>	<u>(291,999,506)</u>
<u>CASH & CASH EQUIVALENTS</u>		
Increase/(Decrease) in Cash & Cash Equivalents	A+B+C (13,055,588)	(9,616,043)
Cash & Cash Equivalents as at 1st January	26,912,099	36,528,143
Cash & Cash Equivalents as at 31st December,	<u>13,856,511</u>	<u>26,912,100</u>

Notes on Pages 8-13 form part of these Financial Statements



Director

DATE: 29 JUN 2009



Director

Date: - 29 JUN 2009

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2008

1 ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company has not adopted the International Financial Reporting Standards for the preparation and presentation of its financial statements. In the circumstances, these Financial Statements have been prepared under the generally accepted accounting principles.

2 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial Statements have been prepared under the historical cost convention. A Summary of more important accounting policies is set out below:

1.2 Turnover

Turnover represents the invoiced value of goods supplied net of VAT and Trade Discounts

1.3 Fixed Assets

Fixed Assets are stated in the Balance Sheet at cost less depreciation. Continuing existence and verification of Fixed Assets is certified by the management.

1.4 Depreciation

Depreciation is provided so as to write off the fixed assets on reducing instalment basis. The principal annual rates used for this purpose which are consistent with those of last year are:

<u>Nature of Asset</u>	<u>Rate per annum</u>
Land & Factory Building	5.00%
Saloon Vehicles	25.00%
Commercial Vehicles	37.50%
Plant & Machinery	12.50%
Weigh Bridge	12.50%
Gas Cylinder Plant	12.50%
Furniture & Equipment - Factory	12.50%
Furniture & Equipment - Office	12.50%
Computers	37.50%
Welding Machine	12.50%

1.5 Stocks

Stocks are valued and verified by the Management at the lower of cost and net realisable value

3 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzanian Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4 REGROUPING

Previous year figures have been rearranged and regrouped wherever necessary to make them comparable with the current year's figures.

M/S IRON & STEEL LIMITED, P.O. BOX 20427 - DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

5 FIXED ASSETS SCHEDULE

Sr. No.	Particulars	COST				DEPRECIATION				NET BLOCK	
		As at 01.01.2008	Additions	Transfers/ Disposals	As at 31.12.2008	As at 01.01.2008	Charge for the year	Adjustment for Disposal	As at 31.12.2008	As at 31.12.2008	As at 31.12.2007
1	Land & Factory Building	594,184,223	-	-	594,184,223	193,019,520	20,058,235	-	213,077,755	381,106,468	401,164,703
2	Saloon Vehicles	107,477,037	14,400,000	-	121,877,037	57,108,409	16,192,157	-	73,300,566	48,576,471	50,368,628
3	Commercial Vehicles	35,209,899	-	-	35,209,899	21,838,479	5,014,283	-	26,852,761	8,357,138	13,371,420
4	Plant & Machinery	2,857,370,606	252,185,175	-	3,109,555,781	1,448,907,026	207,581,094	-	1,656,488,120	1,453,067,661	1,408,463,580
5	Weigh Bridge	30,570,238	-	-	30,570,238	12,650,526	2,239,964	-	14,890,490	15,679,748	17,919,712
6	Gas Cylinder Plant	58,235,117	-	-	58,235,117	19,222,139	4,876,622	-	24,098,761	34,136,356	39,012,978
7	Furniture & Equipment - Factory	50,644,862	-	-	50,644,862	29,823,774	2,602,636	-	32,426,410	18,218,452	20,821,088
8	Furniture & Equipment - Office	32,601,467	16,632,897	-	49,234,364	22,134,649	3,387,464	-	25,522,114	23,712,251	10,466,818
9	Computers	4,202,280	-	-	4,202,280	3,213,674	370,727	-	3,584,402	617,878	988,606
10	Welding Machine	1,037,850	-	-	1,037,850	681,236	44,577	-	725,813	312,037	356,614
	TOTAL	3,771,533,579	283,218,072	-	4,054,751,651	1,808,599,432	262,367,760	-	2,070,967,192	1,983,784,459	1,962,934,147

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2008</u>	<u>2007</u>
	<u>Tshs</u>	<u>Tshs</u>
6 <u>STOCKS</u>		
Stock of Uniform	1,962,221	3,937,770
Stock of Materials	1,478,489,910	1,204,016,659
Stock of Finished Goods	418,488,224	603,375,233
Work in Progress	621,240,000	334,650,000
	<u>2,520,180,354</u>	<u>2,145,979,662</u>
7 <u>DEPOSITS, PREPAYMENTS & ADVANCES</u>		
Agip Cylinder Deposits	524,100	524,100
Celtel Deposit	800,000	400,000
Prepaid Insurance	1,329,271	1,475,585
TanESCO Deposits	1,933,608	1,933,608
Telephone Deposits	180,000	180,000
LPG Cylinder Deposit	237,500	237,500
Insurance Claim Receivable	592,760	592,760
Cylinder Deposits	500,000	500,000
T. O. L. Deposits	477,000	477,000
Advance tax	30,000,000	60,000,000
Staff Loan & Advances	18,061,483	18,425,015
Advances to Suppliers	59,164,338	4,500,705
W. C. Claim Receivable	94,727	222,380
Unclaimed Input VAT	49,067,500	7,500,475
	<u>162,962,287</u>	<u>96,969,128</u>
8 <u>BANK BALANCES & CASH</u>		
Cash In Hand	13,392,270	25,967,859
Diamond Trust Bank - Tshs	239,382	359,382
Diamond Trust Bank - USD Account	224,859	584,859
	<u>13,856,511</u>	<u>26,912,100</u>
9 <u>BANK OVERDRAFT</u>		
Exim Bank	19,901,376	-
National Bank of Commerce	2,163,017,403	1,386,088,485
	<u>2,182,918,779</u>	<u>1,386,088,485</u>

Bank Overdraft, with National Bank of Commerce Ltd. are secured by the following securities:

- a) First legal and continuous charge on the Land & Building which includes Plot No. 33 with Title No. 23998 situated at light industrial area, Mikocheni belonging to the Company.
- b) Limited Guarantees by the Shareholders.

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2008</u>	<u>2007</u>
	<u>Tshs</u>	<u>Tshs</u>
10 OTHER LIABILITIES		
Withholding Tax Payable	452,800	5,452,800
Refundable W/Tax on Goods & Services	173,016	173,016
Telephone Charges Payable	355,940	436,665
Electricity and Water Charges Payable	174,733,693	262,369,063
Skills & Development Levy Payable	1,412,456	1,405,801
NSSF Payable	8,081,532	5,724,880
Outstanding Expenses Payable	-	2,015,842
PAYE Payable	7,699,199	8,153,153
VAT Payable	4,783,308	28,829,306
NSSF Payable	4,298,196	4,068,982
Audit Fees Payable	4,800,000	4,248,000
Refund of NSSF Contribution	360,720	360,720
Stale Cheque Account	-	100,000
Rent Payable	4,075,200	4,075,200
Sitting Fees to Directors	17,772,000	17,571,000
TUICO Payable	111,200	-
Advance from Customers	-	63,132,950
	<u>229,109,260</u>	<u>408,117,378</u>
11 SHARE CAPITAL		
<u>Authorised Share Capital</u>		
5,000,000 Ordinary Shares of Shs. 1,000/- each	5,000,000,000	5,000,000,000
<u>Issued & Paid Up Capital</u>		
2,000,000 Ordinary Shares of Shs. 1,000/- each. (Previous Year 2,000,000 Ordinary Shares of Shares 1,000/- each)	2,000,000,000	2,000,000,000
12 LONG TERM LOANS		
Term Loans From National Bank of Commerce	273,333,333	415,833,333
EXIM Bank Vehicle Loan	18,016,444	31,696,000
	<u>291,349,777</u>	<u>447,529,333</u>
Term Loans from National Bank of Commerce are secured by the following securities:		
a) First legal and continuous charge on the Land & Building which includes Plot No. 33 with Title No. 23998 situated at light industrial area, Mikocheni belonging to the Company		
b) Limited Guarantees by the Shareholders.		
13 RETAINED EARNINGS		
Retained Profits/(Loss)	<u>22,035,046</u>	<u>5,708,827</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2008</u>	<u>2007</u>
	<u>Tshs</u>	<u>Tshs</u>
14 <u>COST OF GOODS MANUFACTURED</u>		
Opening Stock of Materials	1,204,016,659	909,680,011
Add: Material Purchased	2,116,762,984	3,063,376,103
	<u>3,320,779,643</u>	<u>3,973,056,114</u>
Less: Closing Stock of Materials	1,478,489,910	1,204,016,659
MATERIAL CONSUMED	A	2,769,039,455
<u>LABOUR</u>		
Salaries, Wages & Related Cost	256,221,467	183,869,417
Casual Wages & Labour	101,933,876	126,048,565
	B	309,917,982
<u>FACTORY OVERHEADS</u>		
Electricity & Water	2,533,761,099	1,663,261,023
Factory Overheads and Machinery Rep. & Maint.	22,600,718	17,292,981
Factory Security	36,809,200	31,041,500
Insurance	9,257,034	8,717,423
Depreciation	237,403,129	233,481,642
	C	1,953,794,569
MANUFACTURING COST INCURRED DURING THE YEAR	A+B+C	5,032,752,006
Add: Opening Work in Process	334,650,000	309,600,000
	<u>5,374,926,256</u>	<u>5,342,352,006</u>
Less: Closing Work in Process	621,240,000	334,650,000
COST OF GOODS MANUFACTURED	4,753,686,256	5,007,702,006
15 <u>ADMINISTRATIVE & ESTABLISHMENT</u>		
Salaries & Wages	77,462,129	84,716,097
Rent Office	4,528,000	4,528,000
Electricity & Water	777,000	1,677,208
Repairs & Maintenance - Furniture, Equipment & Building	22,327,056	2,982,167
Repairs & Maint. - Office & Other	11,388,789	3,526,767
Conveyance Charges	-	642,330
Parking Fees	202,500	615,000
Fees & Subscription	936,000	2,340,000
Audit Fees	4,800,000	4,308,000
Licence & Fees	2,277,000	2,060,000
Vehicle Expenses	12,768,526	14,420,387
Postage, Telephone, Telex & Internet Charges	10,518,474	11,029,690
Staff Uniform	1,975,549	1,575,800
Skills & Development Levy	19,965,216	18,050,040
Sitting Fees to Directors	24,000,000	24,000,000
Printing & Stationery	-	3,712,050
NSSF Company Contribution	30,833,396	26,772,432
Computer Expenses	179,000	599,158
Depreciation	24,964,631	26,900,818
	<u>249,903,266</u>	<u>234,455,944</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2008</u>	<u>2007</u>
	<u>Tshs</u>	<u>Tshs</u>
16 <u>SELLING & DISTRIBUTION</u>		
Advertisement Expenses	-	400,000
City Service Levy	17,023,775	16,271,098
	<u>17,023,775</u>	<u>16,671,098</u>
17 <u>OTHER EXPENSES</u>		
Property Tax & Land Rent	3,478,524	3,478,524
Registrar of Companies	-	19,500
Donations	-	100,000
Work Permit & Visa Fees	-	11,161,704
	<u>3,478,524</u>	<u>14,759,728</u>
18 <u>FINANCIAL CHARGES</u>		
Interest on Bank Overdraft	207,409,206	178,440,036
Interest on Term Loan	50,022,887	64,060,900
Exchange Loss	-	(3,760,795)
Bank Charges	49,159,289	10,474,419
	<u>306,591,382</u>	<u>249,214,560</u>
19 <u>OTHER INCOMES</u>		
Interest Received	-	858
Sundry Balances written back	63,132,950	-
Miscellaneous Income	100,000	-
	<u>63,232,950</u>	<u>858</u>
20 <u>INCORPORATION</u>		
Iron & Steel Limited is incorporated under the Tanzanian Companies Ordinance (Cap 212).		

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

	<u>2008</u>	<u>2007</u>
	<u>Tshs</u>	<u>Tshs</u>
<u>COMPUTATION OF TAXABLE INCOME</u>		
Profit/(Loss) as per Accounts	167,448,092	47,342,812
Less: Profit on Sale of Assets	-	-
	<hr/>	<hr/>
	167,448,092	47,342,812
<u>Add: Disallowable & Private element</u>		
Depreciation	262,367,760	260,382,460
Private use of Vehicles (15%)	1,915,279	2,163,058
Donations	-	100,000
Private use of Telephone (15%)	1,577,771	1,654,454
Work Permit and Visa Fees	-	11,161,704
	<hr/>	<hr/>
	433,308,902	322,804,487
Less: Wear & Tear	288,526,838	285,644,571
TAXABLE PROFIT FOR THE YEAR	<hr/>	<hr/>
	144,782,065	37,159,916
TAX THERE ON @ 30%	43,434,619	11,147,975

WEAR & TEAR SCHEDULE FOR TAX PURPOSE

	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>	<u>CLASS VI</u>	<u>TOTAL</u>
Balance B/Fwd	20,680,927	495,542,164	-	466,284,992	982,508,082
Additions	14,400,000	252,185,175	16,632,897	-	283,218,072
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	35,080,927	747,727,338	16,632,897	466,284,992	1,265,726,154
Less: Dep. Charged till date in case of Class VI	-	-	-	69,174,238	69,174,238
Less: Wear & Tear	13,155,347	123,885,541	2,079,112	23,314,250	162,434,250
: 50% on Additions	-	126,092,587	-	-	126,092,587
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	13,155,347	249,978,128	2,079,112	92,488,487	288,526,838
Balance C/Fwd	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	21,925,579	497,749,210	14,553,785	373,796,505	977,199,317

Note: Plant and Machinery used in Manufacturing was wrongly classified in Class III instead of Class II until the year 2006. The same was rectified in the current year by transferring the balance Written Down Value of Class III as at 1.1.07 to Class II.



0223573

Certified copy
Signature: [Signature]
Date: 17/04/2018
For Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

THIS CERTIFICATE (Section 17 of the Tanzania Investment Act, 1997) AMENDMENT ON SECTION 1 HAS BEEN EFFECTED
REPLACE THE PREVIOUS ONE NO. 042189
ISSUED ON 21/08/2000 No: 042189

Blank This is to certify that *Blank*

IRON AND STEEL LIMITED

P.O. BOX 20427

of address.....

DAR ES SAALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation~~ ~~expansion~~ ~~or equity of the~~ enterprise known as

IRON AND STEEL LIMITED

PLOT NO. 33, MIKOCHE NI INDUSTRIAL AREA

Which is located at

DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Blank

Executive Director

Tanzania Investment Centre
P.O.Box 938, Dar es Salaam

Dated 12TH APRIL 2018

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Shiraz Shariff	Tanzanian	0.00002
Bismarck Investors Ltd.	British Virgin Island	15.45
Amin M. Ramji	Tanzanian	10.78
Mehboob Ramji	Tanzanian	3.77
Avelino Foundation	Swiss	10.0
Unalotted shares		60.0
2. Proposed Activities: To establish and operate a steel rolling mill plant
3. Sector: Manufacturing Subsector: Steel products producers
4. Investment cost: Foreign Tshs. 498m. Local Tshs. 478.9m Total Tshs. 976.9m.
5. Project Financing: Equity Tshs. 493.3m. Loans Tshs. 483.6m. Total Tshs. 976.9m.
6. Source, terms and conditions of loan.
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	Tshs. 498m.	Tshs. 478.9m.	Tshs. 976.9m
8. Technology Agreement None
9. Date of TIC Registration: 7th June 1993
10. Implementation period June 1993 - 31st March 1997
11. Operative date 1st April 1997
12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty EAC Customs management Act, 2004 and VAT Act, 2014
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or ammended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre
15. Additional conditions attached to Certificate

Finished goods are not allowed under this certificate

Signed 
Executive Director



0223573

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

THIS CERTIFICATE (Section 17 of the Tanzania Investment Act, 1997) AMENDMENT ON SECTION
 REPLACE THE PREVIOUS 1 HAS BEEN EFFECTED
 ONE NO. 042189
 ISSUED ON 21/08/2000 No: 042189

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IRON AND STEEL LIMITED

P.O. BOX 20427

of address

DAR ES SAALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation~~ ~~expansion~~
~~or equity of the~~ enterprise known as

IRON AND STEEL LIMITED

PLOT NO. 33, MIKOCHENI INDUSTRIAL AREA

Which is located at

DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Blank

Executive Director

Tanzania Investment Centre
 P.O.Box 938, Dar es Salaam

Dated 12TH APRIL 2018

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Shiraz Shariff	Tanzanian	0.00002
Bismarck Investors Ltd.	British Virgin Island	15.45
Amin M. Ramji	Tanzanian	10.78
Mehboob Ramji	Tanzanian	3.77
Avelino Foundation	Swiss	10.0
Unalotted shares		60.0
2. Proposed Activities: To establish and operate a steel rolling mill plant
3. Sector: Manufacturing Subsector: Steel products producers
4. Investment cost: Foreign Tshs. 498m. Local Tshs. 478.9m. Total Tshs. 976.9m.
5. Project Financing: Equity Tshs. 493.3m. Loans Tshs. 483.6m. Total Tshs. 976.9m.
6. Source, terms and conditions of loan
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	Tshs. 498m.	Tshs. 478.9m.	Tshs. 976.9m.
8. Technology Agreement None
9. Date of TIC Registration: 7th June 1993
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 - (i) Applicable Import Duty EAC Customs management Act, 2004 and VAT Act, 2014
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
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 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre
15. Additional conditions attached to Certificate

Finished goods are not allowed under this certificate

Signed 
Executive Director



0223573

Certified as True Copy
of Original
Signature: *[Signature]*
Date: 17/04/2018
For Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

THIS CERTIFICATE (Section 17 of the Tanzania Investment Act, 1997) AMENDMENT ON SECTION 1 HAS BEEN EFFECTED
REPLACE THE PREVIOUS ONE NO. 042189
ISSUED ON 21/08/2000 No: 042189

Blank This is to certify that *Blank*

IRON AND STEEL LIMITED

P.O. BOX 20427

of address.....

DAR ES SAALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation~~ ~~expansion~~ ~~or equity of the~~ enterprise known as

IRON AND STEEL LIMITED

PLOT NO. 33, MIKOCHENI INDUSTRIAL AREA

Which is located at

DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

[Signature]

Executive Director

Tanzania Investment Centre
P.O.Box 938, Dar es Salaam

Dated 12TH APRIL 2018

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

1. Shareholders

	Nationality	Shareholding (%)
Shiraz Shariff	Tanzanian	0.00002
Bismarck Investors Ltd.	British Virgin Island	15.45
Amin M. Ramji	Tanzanian	10.78
Mehboob Ramji	Tanzanian	3.77
Avelino Foundation	Swiss	10.0
Unalotted shares		60.0
2. Proposed Activities: To establish and operate a steel rolling mill plant
3. Sector: Manufacturing Subsector: Steel products producers
4. Investment cost: Foreign Tshs. 498m. Local Tshs. 478.9m. Total Tshs. 976.9m.
5. Project Financing: Equity Tshs. 493.3m. Loans Tshs. 483.6m. Total Tshs. 976.9m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:

	Foreign	Local	Total
Capital items:	<u>Tshs. 498m.</u>	<u>Tshs. 478.9m.</u>	<u>Tshs. 976.9m</u>
8. Technology Agreement None
9. Date of TIC Registration: 7th June 1993
10. Implementation period June 1993 - 31st March 1997
11. Operative date..... 1st April 1997
12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty EAC Customs management Act, 2004 and VAT Act, 2014
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this certificate

Signed *Iskandar*
Executive Director

Certified as True Copy
of Original
Signature: *[Signature]*
Date: 17/04/2018



0223573

For Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

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[Signature]

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Tanzania Investment Centre
P.O.Box 938, Dar es Salaam

Dated 12TH APRIL 2018

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6. Source, terms and conditions of loan
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Capital items:	Foreign	Local	Total
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Signed 
Executive Director



BAKER TILLY
DGP & CO
Certified Public Accountants

M/S. IRON & STEEL LIMITED
P. O. Box 20427,
Dar es Salaam,
Annual Report 2010



an independent member of
BAKER TILLY
INTERNATIONAL

M/S. IRON & STEEL LIMITED. P.O.BOX 20427 - DAR-ES-SALAAM

CORPORATE INFORMATION

Board of Directors	: Mr Amin Ramji	Managing Director
	: Mr. Abdul Aziz Lalani	Director
	: Mr. Sadrudin Shariff	Director
	: Mr. Sadrudin Mangalji	Director

Registered & Works Office : Plot No. 33.
Mikocheni Light Industrial Area
P. O. Box 20427
Dar-es-salaam

Auditors : Baker Tilly DGP & Co.,
Certified Public Accountants,
P.O.Box 1314
Dar-es-salaam

Principal Bankers : National Bank of Commerce
Corporate Branch,
P.O.Box 9062
Dar-es-salaam

M/S. IRON & STEEL LIMITED. P.O.BOX 20427 - DAR-ES-SALAAM

REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

CONTENTS	PAGE
Directors Report	1-2
Auditors Report	3-4
Balance Sheet	5
Profit & Loss Account	6
Cash Flow Statement	7
Notes to the Financial Statements	8-13

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2010

1. The Directors have pleasure in submitting their report together with the audited Financial Statements for the year ended 31st December 2010, which disclose the state of affairs of the company.
2. **Principal Activities**
The principal activities of the company continued to be manufacturing and selling of High tensile & Mild Steel Bars.
3. **Administrative Efficiency**
Payments of all the statutory dues such as Pay As You Earn, National Social Security Fund, Skills & Development Levy and VAT were generally made in time.
4. **Employee Welfare**
Regular in house training facilities have continued to be a feature of the company's employee upgrading plans.

The Management/Employee relationship remained cordial throughout the year.
5. **Factors Affecting the Solvency of the Company**
The Financial position of the company is shown in the Financial Statements presented herewith.

The company has secured the term loans facilities from NBC Bank by securing the first charge on the factory land & building.
6. **Related Party Transactions**
There were transactions of sale and purchase of goods with Companies in which Directors are interested. We believe that transactions with all such parties have been entered at an arms' length.
7. **Dividends**
The Directors do not recommend any dividend for the year.
8. **Directors Responsibilities**
As Directors, it is our responsibility to prepare the financial statements for each financial year that gives a true and fair view of the state of affairs of the company at the end of the financial year. We are also responsible for keeping proper accounting records in line with the provisions of section 122 of the Companies Act, 2002 for taking reasonable steps to safeguard the assets of the company, to prevent, detect fraud and other irregularities.

We confirm that suitable accounting policies have been adopted and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the Financial Statements for the year ended on 31st December 2010. We also confirm that the applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

9. Directors

The Directors of the company who were on Board during the year were:

<u>Name</u>	<u>Nationality</u>	<u>Changes Thereof</u>
Mr. Amin Ramji	Tanzanian	-
Mr. Abdul Aziz Lalani	Kenyan	-
Mr. Sadrudin Shariff	Tanzanian	-
Mr. Sadrudin Mangalji	Canadian	-

10. Auditors

The auditors, M/s. Baker Tilly DGP & Co. Certified Public Accountants have expressed their willingness to continue in office and are eligible for re-appointment.

BY ORDER OF THE BOARD


.....
DIRECTOR


.....
DIRECTOR

DAR-ES-SALAAM
DATE: 17 JUN 2011



BAKER TILLY DGP & CO

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IRON & STEEL LIMITED

2nd Floor, Mahavir Building,
Opp. Econo Lodge, Off Libya Street
P. O. Box - 1314, Dar es Salaam
Tanzania
Tel: +255 22 2112128, 2125597
Fax: +255 22 2122300
Email: info@bakertillydgp.com
www.bakertillydgp.com

We have audited the accompanying financial statements of M/s. Iron & Steel Limited, set out herewith, which comprises of Balance sheet as at 31st December 2010, Profit and Loss Account, cash flow statement for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report:

1. Stock as at 31st December 2010 is verified and valued by the Management.
2. Confirmations of balances of Debtors, Creditors and Advances as at 31st December 2010 were not provided to us for our verification.

Opinion

In our opinion, the financial statements of the company, subject to above, give a true and fair view of the state of affairs of the company as on 31st December 2010 and of its profit/ loss for the year then ended and its cash flows for the period then ended and are not prepared in accordance with the International Financial Reporting Standards and not complying with the requirements of the Companies Act, 2002.

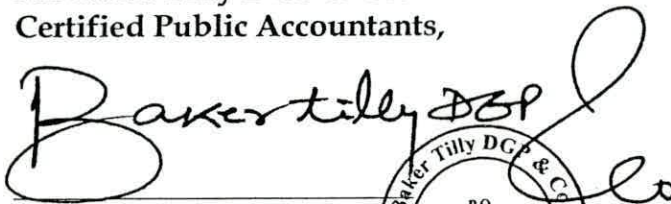

Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,

K. S. Bhattbhatt
Partner

Place : Dar Es Salaam

Dated : 17 JUN 2011

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

BALANCE SHEET AS AT 31ST DECEMBER, 2010

	<u>NOTE</u>	<u>2010</u>	<u>2009</u> <u>Tshs</u>
<u>ASSETS</u>			
<u>FIXED ASSETS</u>	5	2,067,988,951	2,090,717,579
<u>CURRENT ASSETS</u>			
Stocks	6	1,867,887,282	2,291,896,521
Sundry Debtors		985,666,305	555,724,584
Deposits, Prepayments & Advances	7	104,552,888	70,038,954
Bank Balances & Cash	8	29,849,503	5,361,557
		<u>2,987,955,978</u>	<u>2,923,021,616</u>
<u>CURRENT LIABILITIES</u>			
Bank Overdrafts	9	1,139,560,455	2,173,166,890
Sundry Creditors		89,393,402	43,421,907
Other Liabilities	10	136,023,531	532,177,251
Provision for Taxation		49,345,784	21,041
		<u>1,414,323,173</u>	<u>2,748,787,089</u>
NET CURRENT ASSETS		<u>1,573,632,805</u>	<u>174,234,527</u>
NET ASSETS		<u><u>3,641,621,754</u></u>	<u><u>2,264,952,108</u></u>
<u>FINANCED BY:</u>			
Share Capital	11	2,000,000,000	2,000,000,000
Term Loan from Bank	12	1,580,969,359	202,845,348
Retained Earnings	13	60,652,395	62,106,760
		<u>3,641,621,754</u>	<u>2,264,952,108</u>

The financial statements on pages 5 to 13 were approved by the Board of Directors and were signed on their behalf :-

Notes on Pages 8-13 form part of these Financial Statements



.....
Director

Date: 17 JUN 2011



.....
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2010

	<u>NOTES</u>	<u>2010</u> <u>Tshs</u>	<u>2009</u> <u>Tshs</u>
<u>INCOME</u>			
Sale of Iron Bars & Other		5,163,373,242	4,457,317,196
<u>Cost of Sales</u>			
Opening Stock of Finished Goods		387,285,694	418,488,224
Add: Cost of Goods Manufactured	14	4,286,880,726	3,770,449,078
		<u>4,674,166,420</u>	<u>4,188,937,302</u>
Less: Closing Stock of Finished Goods		236,183,395	387,285,694
		<u>4,437,983,025</u>	<u>3,801,651,607</u>
GROSS PROFIT		725,390,217	655,665,589
<u>LESS: OPERATING EXPENSES</u>			
Administration & Establishment	15	212,207,998	225,392,622
Selling & Distribution	16	15,358,036	13,365,260
Financial Charges	17	295,668,843	347,956,425
		<u>523,234,877</u>	<u>586,714,307</u>
Operating Profit/(Loss) Before Taxation		202,155,340	68,951,282
Add: Other Incomes	18	9,500,000	-
Profit/(Loss) for the Year Before Tax		<u>211,655,340</u>	<u>68,951,282</u>
Taxation for the year		79,324,743	21,041
Profit/(Loss) for the Year after Tax		<u>132,330,596</u>	<u>68,930,241</u>
Add: Balance Brought Forward		62,106,759	22,035,046
		<u>194,437,355</u>	<u>90,965,287</u>
Less: Tax Provision for Earlier Years		-	28,858,528
Prior Year Adjustments		8,784,960	-
		<u>185,652,395</u>	<u>62,106,759</u>
Less: Proposed Dividend		-	-
RETAINED PROFITS CARRIED FORWARD		<u>185,652,395</u>	<u>62,106,759</u>

Notes on Pages 8-13 form part of these Financial Statements



Director

DATE: 17 JUN 2011



Director


Date: - 17 JUN 2011

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010


	<u>2010</u> <u>Tshs</u>	<u>2009</u> <u>Tshs</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit Before Tax	211,655,340	68,951,282
Adjustment For: Depreciation	271,201,341	275,511,458
	<u>482,856,681</u>	<u>344,462,740</u>
(Increase)/Decrease in Stocks	424,009,240	228,283,833
(Increase)/Decrease in Debtors, Prepayments & Advances	(464,455,655)	(24,716,149)
Increase/(Decrease) in Bank Overdraft	(1,033,606,434)	(9,751,890)
Increase/(Decrease) in Creditors & Other Liabilities	(350,182,225)	26,468,667
	<u>(1,424,235,074)</u>	<u>220,284,461</u>
CASH GENERATED FROM OPERATIONS	(941,378,394)	564,747,201
Less: Tax paid	(38,784,960)	(102,293,147)
NET CASH FROM OPERATING ACTIVITIES	A (980,163,353)	<u>462,454,054</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase/(Decrease) in Long Term Loans	1,378,124,011	(88,504,429)
Dividends Paid	(125,000,000)	-
NET CASH USED IN FINANCING ACTIVITIES	B 1,253,124,011	<u>(88,504,429)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Assets	(248,472,713)	(382,444,579)
NET CASH USED IN INVESTING ACTIVITIES	C (248,472,713)	<u>(382,444,579)</u>
<u>CASH & CASH EQUIVALENTS</u>		
Increase/(Decrease) in Cash & Cash Equivalents	A+B+C 24,487,945	(8,494,954)
Cash & Cash Equivalents as at 1st January	5,361,557	13,856,511
Cash & Cash Equivalents as at 31st December	<u>29,849,503</u>	<u>5,361,557</u>

Notes on Pages 8-13 form part of these Financial Statements



Director

DATE: 17 JUN 2011



Director

Date: 17 JUN 2011

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

1 ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company has not adopted the International Financial Reporting Standards for the preparation and presentation of its financial statements. In the circumstances, these Financial Statements have been prepared under the generally accepted accounting principles.

2 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial Statements have been prepared under the historical cost convention. A Summary of more important accounting policies is set out below:

1.2 Turnover

Turnover represents the invoiced value of goods supplied net of VAT and Trade Discounts

1.3 Fixed Assets

Fixed Assets are stated in the Balance Sheet at cost less depreciation. Continuing existence and verification of Fixed Assets is certified by the management.

1.4 Depreciation

Depreciation is provided so as to write off the fixed assets on reducing instalment basis. The principal annual rates used for this purpose which are consistent with those of last year are:

<u>Nature of Asset</u>	<u>Rate per annum</u>
Land & Factory Building	5.00%
Saloon Vehicles	25.00%
Commercial Vehicles	37.50%
Plant & Machinery	12.50%
Weigh Bridge	12.50%
Gas Cylinder Plant	12.50%
Furniture & Equipment - Factory	12.50%
Furniture & Equipment - Office	12.50%
Computers	37.50%
Welding Machine	12.50%

1.5 Stocks

Stocks are valued and verified by the Management at the lower of cost and net realisable value

3 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzanian Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4 REGROUPING

Previous year figures have been rearranged and regrouped wherever necessary to make them comparable with the current year's figures.

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

5 FIXED ASSETS SCHEDULE

Sr. No.	Particulars	COST				DEPRECIATION				NET BLOCK	
		As at 01.01.2010	Additions	Transfers/ Disposals	As at 31.12.2010	As at 01.01.2010	Charge for the year	Adjustment for Disposal	As at 31.12.2010	As at 31.12.2010	As at 31.12.2009
1	Land & Factory Building	594,184,223	-	-	594,184,223	232,133,079	18,102,557	-	250,235,636	343,948,587	362,051,144
2	Saloon Vehicles	121,877,037	-	-	121,877,037	85,444,684	9,108,088	-	94,552,772	27,324,265	36,432,353
3	Commercial Vehicles	35,209,899	-	-	35,209,899	29,986,688	1,958,704	-	31,945,392	3,264,507	5,223,211
4	Plant & Machinery	3,490,536,689	231,375,146	-	3,721,911,835	1,885,744,191	229,520,956	-	2,115,265,147	1,606,646,689	1,604,792,498
5	Weigh Bridge	30,570,238	-	-	30,570,238	16,850,459	1,714,972	-	18,565,431	12,004,807	13,719,779
6	Gas Cylinder Plant	58,235,117	-	-	58,235,117	28,365,805	3,733,664	-	32,099,469	26,135,648	29,869,312
7	Furniture & Equipment - Factory	50,644,862	-	-	50,644,862	34,703,717	1,992,643	-	36,696,360	13,948,502	15,941,145
8	Furniture & Equipment - Office	50,698,035	17,097,567	-	67,795,602	28,669,104	4,890,812	-	33,559,916	34,235,686	22,028,931
9	Computers	4,202,280	-	-	4,202,280	3,816,106	144,815	-	3,960,921	241,359	386,174
10	Welding Machine	1,037,850	-	-	1,037,850	764,818	34,129	-	798,947	238,903	273,032
	TOTAL	4,437,196,230	248,472,713	-	4,685,668,943	2,346,478,651	271,201,341	-	2,617,679,992	2,067,988,951	2,090,717,579

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2010</u> <u>Tshs</u>	<u>2009</u> <u>Tshs</u>
6 STOCKS		
Stock of Materials	1,447,118,387	1,338,545,327
Stock of Finished Goods	236,183,395	387,285,694
Work in Progress	184,585,500	566,065,500
	<u>1,867,887,282</u>	<u>2,291,896,521</u>
7 DEPOSITS, PREPAYMENTS & ADVANCES		
Agip Cylinder Deposits	524,100	524,100
Celtel Deposit	800,000	800,000
Prepaid Insurance	1,884,146	2,039,683
TanESCO Deposits	1,933,608	1,933,608
Telephone Deposits	180,000	180,000
LPG Cylinder Deposit	237,500	237,500
Insurance Claim Receivable	592,760	592,760
Cylinder Deposits	500,000	500,000
T. O. L. Deposits	477,000	477,000
Advance tax	30,000,000	30,000,000
Staff Loan & Advances	2,586,742	11,010,351
Advances to Suppliers	64,590,145	21,649,225
W. C. Claim Receivable	246,887	94,727
	<u>104,552,888</u>	<u>70,038,954</u>
8 BANK BALANCES & CASH		
Cash In Hand	29,856,984	5,178,616
Diamond Trust Bank - Tshs	(7,481)	174,382
Diamond Trust Bank - USD Account	-	8,559
	<u>29,849,503</u>	<u>5,361,557</u>
9 BANK OVERDRAFT		
Exim Bank	(452,276)	11,490,168
National Bank of Commerce	1,140,012,731	2,161,676,722
	<u>1,139,560,455</u>	<u>2,173,166,890</u>

Bank Overdraft, with National Bank of Commerce Ltd. are secured by the following securities:

- a) First legal and continuous charge on the Land & Building which includes Plot No. 33 with Title No. 23998 situated at light industrial area, Mikocheni belonging to the Company.
- c) Debenture over the company fixed and floating assets.
- b) Limited Guarantees by the Shareholders.
- d) Unlimited cross company guarantees between Simba Steel Ltd, Iron and Steel Limited and Nyakato Steel Mills Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2010</u>	<u>2009</u>
	<u>Tshs</u>	<u>Tshs</u>
10		
<u>OTHER LIABILITIES</u>		
Withholding Tax Payable	12,952,800	452,800
Refundable W/Tax on Goods & Services	360,720	173,016
Telephone Charges Payable	481,000	404,938
Electricity and Water Charges Payable	-	795,533
Skills & Development Levy Payable	1,271,642	1,459,917
NSSF Payable	12,128,418	12,931,516
PAYE Payable	7,217,150	7,233,909
VAT Payable	91,063,585	58,449,823
Audit Fees Payable	6,300,000	5,514,600
Rent Payable	4,075,200	4,075,200
Sitting Fees to Directors	-	18,672,000
Due to Associate Company	-	421,763,799
TUICO Payable	173,016	250,200
	<u>136,023,531</u>	<u>532,177,251</u>
11		
<u>SHARE CAPITAL</u>		
<u>Authorised Share Capital</u>		
5,000,000 Ordinary Shares of Shs. 1,000/- each	5,000,000,000	5,000,000,000
<u>Issued & Paid Up Capital</u>		
2,000,000 Ordinary Shares of Shs. 1,000/- each. (Previous Year 2,000,000 Ordinary Shares of Shares 1,000/- each)	2,000,000,000	2,000,000,000
12		
<u>LONG TERM LOANS</u>		
Term Loans From National Bank of Commerce	1,580,969,359	193,333,333
EXIM Bank Vehicle Loan	-	9,512,015
	<u>1,580,969,359</u>	<u>202,845,348</u>
Term Loans from National Bank of Commerce are secured by the following securities:		
a) First legal and continuous charge on the Land & Building which includes Plot No. 33 with Title No. 23998 situated at light industrial area, Mikocheni belonging to the Company		
b) Limited Guarantees by the Shareholders.		
13		
<u>RETAINED EARNINGS</u>		
Retained Profits/(Loss)	185,652,395	62,106,760
Less:- Dividends Paid	125,000,000	-
	<u>60,652,395</u>	<u>62,106,760</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2010</u> <u>Tshs</u>	<u>2009</u> <u>Tshs</u>
14 <u>COST OF GOODS MANUFACTURED</u>		
Opening Stock of Materials	1,338,545,327	1,478,489,910
Add: Material Purchased	1,881,443,338	1,324,723,450
	<u>3,219,988,665</u>	<u>2,803,213,360</u>
Less: Closing Stock of Materials	1,447,118,387	1,338,545,327
MATERIAL CONSUMED	A <u><u>1,772,870,279</u></u>	<u><u>1,464,668,033</u></u>
<u>LABOUR</u>		
Salaries, Wages & Related Cost	201,514,994	248,818,013
Casual Wages & Labour	84,536,449	84,511,187
	B <u><u>286,051,443</u></u>	<u><u>333,329,200</u></u>
<u>FACTORY OVERHEADS</u>		
Electricity & Water	1,509,660,213	1,561,789,941
Factory Overheads and Machinery Rep. & Maint.	29,449,164	50,563,877
Factory Security	39,019,730	38,311,200
Insurance	13,250,976	9,757,608
Depreciation	255,098,921	256,854,719
	C <u><u>1,846,479,004</u></u>	<u><u>1,917,277,345</u></u>
MANUFACTURING COST INCURRED DURING THE YEAR	A+B+C 3,905,400,726	3,715,274,578
Add: Opening Work in Process	566,065,500	621,240,000
	<u>4,471,466,226</u>	<u>4,336,514,578</u>
Less: Closing Work in Process	184,585,500	566,065,500
COST OF GOODS MANUFACTURED	<u><u>4,286,880,726</u></u>	<u><u>3,770,449,078</u></u>
15 <u>ADMINISTRATIVE & ESTABLISHMENT</u>		
Salaries & Wages	71,273,560	75,639,646
Rent Office	4,528,000	4,528,000
Electricity & Water	1,239,000	1,029,000
Printing & Stationery	2,991,964	-
Repairs & Maintenance - Furniture, Equipment & Building	11,374,286	15,358,261
Repairs & Maint. - Office & Other	11,138,375	7,807,282
Fees & Subscription	-	1,435,000
Audit Fees	6,300,000	5,514,600
Licence & Fees	3,235,000	4,342,450
Vehicle Expenses	4,627,838	4,717,326
Postage, Telephone, Telex & Internet Charges	10,579,552	10,312,371
Staff Uniform	2,044,453	1,962,221
Skills & Development Levy	16,400,964	19,467,461
Sitting Fees to Directors	24,000,000	24,000,000
NSSF Company Contribution	24,726,186	28,975,865
Property Tax & Land Rent	1,646,400	1,646,400
Depreciation	16,102,420	18,656,739
	<u><u>212,207,998</u></u>	<u><u>225,392,622</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2010</u> <u>Tshs</u>	<u>2009</u> <u>Tshs</u>
16 <u>SELLING & DISTRIBUTION</u>		
City Service Levy	15,358,036	13,365,260
	<u>15,358,036</u>	<u>13,365,260</u>
17 <u>FINANCIAL CHARGES</u>		
Interest on Bank Overdraft	263,741,281	307,040,516
Interest on Bank Loan	21,615,440	33,072,735
Exchange Loss / (Gain)	869,070	3,026,163
Bank Charges	9,443,052	4,817,011
	<u>295,668,843</u>	<u>347,956,425</u>
18 <u>OTHER INCOMES</u>		
Insurance Claim Received	9,500,000	-
Miscellaneous Income	-	-
	<u>9,500,000</u>	<u>-</u>
19 <u>INCORPORATION</u>		
Iron & Steel Limited is incorporated under the Tanzanian Companies Ordinance (Cap 212).		

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

	<u>2010</u>	<u>2009</u>
	<u>Tshs</u>	<u>Tshs</u>
<u>COMPUTATION OF TAXABLE INCOME</u>		
Profit/(Loss) as per Accounts	211,655,340	68,951,283
<u>Add: Disallowable & Private element</u>		
Depreciation	271,201,341	275,511,458
Private use of Vehicles (15%)	694,176	707,599
Private use of Telephone (15%)	1,586,933	1,546,856
	<u>485,137,789</u>	<u>346,717,195</u>
Less: Wear & Tear	220,721,978	346,647,057
TAXABLE PROFIT FOR THE YEAR	<u>264,415,811</u>	<u>70,138</u>
TAX THERE ON @ 30%	79,324,743	21,041

WEAR & TEAR SCHEDULE FOR TAX PURPOSE

	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>	<u>CLASS VI</u>	<u>TOTAL</u>
Balance B/Fwd on 01.01.10	13,703,487	563,802,362	14,015,274	257,993,768	849,514,891
Additions		231,375,146	17,097,567	-	248,472,713
	<u>13,703,487</u>	<u>795,177,508</u>	<u>31,112,841</u>	<u>257,993,768</u>	<u>1,097,987,604</u>
Less: Wear & Tear	5,138,808	198,794,377	3,889,105	12,899,688	220,721,978
	<u>5,138,808</u>	<u>198,794,377</u>	<u>3,889,105</u>	<u>12,899,688</u>	<u>220,721,978</u>
Balance C/Fwd on 31.12.10	<u>8,564,679</u>	<u>596,383,131</u>	<u>27,223,736</u>	<u>245,094,080</u>	<u>877,265,626</u>

W



BAKER TILLY
DGP & CO
Certified Public Accountants

M/S. IRON & STEEL LIMITED
P. O. Box 20427,
Dar es Salaam,
Annual Report 2009



an independent member of
BAKER TILLY
INTERNATIONAL

M/S. IRON & STEEL LIMITED. P.O.BOX 20427 - DAR-ES-SALAAM

CORPORATE INFORMATION

Board of Directors	: Mr Amin Ramji	Managing Director
	: Mr. Abdul Aziz Lalani	Director
	: Mr. Sadrudin Shariff	Director
	: Mr. Sadrudin Mangalji	Director

Registered & Works Office : Plot No. 33.
Mikocheni Light Industrial Area
P. O. Box 20427
Dar-es-salaam

Auditors : Baker Tilly DGP & Co.,
Certified Public Accountants,
P.O.Box 1314
Dar-es-salaam

Principal Bankers : National Bank of Commerce
Corporate Branch,
P.O.Box 9062
Dar-es-salaam

M/S. IRON & STEEL LIMITED. P.O.BOX 20427 - DAR-ES-SALAAM

REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2009

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Directors Report	1-2
Auditors Report	3-4
Balance Sheet	5
Profit & Loss Account	6
Cash Flow Statement	7
Notes to the Financial Statements	8-13

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2009

1. The Directors have pleasure in submitting their report together with the audited Financial Statements for the year ended 31st December 2009, which disclose the state of affairs of the company.

2. Principal Activities

The principal activities of the company continued to be manufacturing and selling of High tensile & Mild Steel Bars.

The annual turnover for the year was Tshs 4,457,317,196/-(P.Y. Tshs. 5,619,785,355/-).

3. Administrative Efficiency

Payments of all the statutory dues such as Pay As You Earn, National Social Security Fund, Skills & Development Levy and VAT were generally made in time.

4. Employee Welfare

Regular in house training facilities have continued to be a feature of the company's employee upgrading plans.

The Management/Employee relationship remained cordial throughout the year.

5. Factors Affecting the Solvency of the Company

The Financial position of the company is shown in the Financial Statements presented herewith.

The company has secured the term loans facilities from NBC Bank by securing the first charge on the factory land & building.

6. Related Party Transactions

There were transactions of sale and purchase of goods with Companies in which Directors are interested. We believe that transactions with all such parties have been entered at an arms' length.

7. Dividends

The Directors do not recommend any dividend for the year.

8. Directors Responsibilities

As Directors, it is our responsibility to prepare the financial statements for each financial year that gives a true and fair view of the state of affairs of the company at the end of the financial year. We are also responsible for keeping proper accounting records in line with the provisions of section 122 of the Companies Act, 2002 for taking reasonable steps to safeguard the assets of the company, to prevent, detect fraud and other irregularities.

We confirm that suitable accounting policies have been adopted and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the Financial Statements for the year ended on 31st December 2009. We also confirm that the applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

9. Directors

The Directors of the company who were on Board during the year were:

<u>Name</u>	<u>Nationality</u>	<u>Changes Thereof</u>
Mr. Amin Ramji	Tanzanian	-
Mr. Abdul Aziz Lalani	Kenyan	-
Mr. Sadrudin Shariff	Tanzanian	-
Mr. Sadrudin Mangalji	Canadian	-

10. Auditors

The auditors, M/s. Baker Tilly DGP & Co. Certified Public Accountants have expressed their willingness to continue in office and are eligible for re-appointment.

BY ORDER OF THE BOARD


.....
DIRECTOR


.....
DIRECTOR

DAR-ES-SALAAM

DATE:



**BAKER TILLY
DGP & CO**

Certified Public Accountant

2nd Floor, Mahavir Building,
Opp. Econo Lodge, Off Libya Street
P. O. Box - 1314, Dar es Salaam
Tanzania
Tel: +255 22 2112128, 2125597
Fax: +255 22 2122300
Email: info@bakertillydgp.com
www.bakertillydgp.com

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
IRON & STEEL LIMITED**

We have audited the accompanying financial statements of M/s. Iron & Steel Limited, set out herewith, which comprises of Balance sheet as at 31st December 2009, Profit and Loss Account, cash flow statement for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report:

1. Stock as at 31st December 2009 is verified and valued by the Management.
2. Confirmations of balances of Debtors, Creditors and Advances as at 31st December 2009 were not provided to us for our verification.

Opinion

In our opinion, the financial statements of the company, subject to above, give a true and fair view of the state of affairs of the company as on 31st December 2009 and of its profit/ loss for the year then ended and its cash flows for the period then ended and are not prepared in accordance with the International Financial Reporting Standards and not complying with the requirements of the Companies Act, 2002.

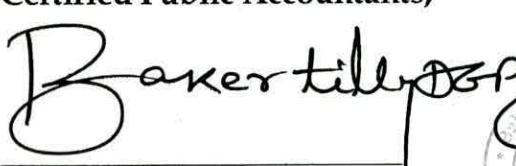

Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,

K. S. Bhattbhatt
Partner

Place : Dar Es Salaam

Dated : 30 JUN 2010

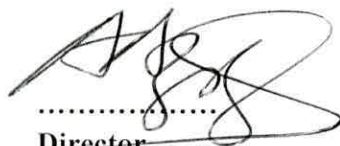
M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

BALANCE SHEET AS AT 31ST DECEMBER, 2009

	<u>NOTE</u>	<u>2009</u> <u>Tshs</u>	<u>2008</u> <u>Tshs</u>
<u>ASSETS</u>			
<u>FIXED ASSETS</u>	5	2,090,717,581	1,983,784,459
<u>CURRENT ASSETS</u>			
Stocks	6	2,291,896,521	2,520,180,354
Sundry Debtors		555,724,584	408,085,102
Deposits, Prepayments & Advances	7	70,038,954	162,962,287
Bank Balances & Cash	8	5,361,557	13,856,511
		<u>2,923,021,616</u>	<u>3,105,084,254</u>
<u>CURRENT LIABILITIES</u>			
Bank Overdrafts	9	2,173,166,890	2,182,918,779
Sundry Creditors		43,421,907	320,021,231
Other Liabilities	10	532,177,251	229,109,260
Provision for Taxation		21,041	43,434,619
		<u>2,748,787,089</u>	<u>2,775,483,890</u>
NET CURRENT ASSETS		<u>174,234,527</u>	<u>329,600,364</u>
NET ASSETS		<u><u>2,264,952,108</u></u>	<u><u>2,313,384,823</u></u>
<u>FINANCED BY:</u>			
Share Capital	11	2,000,000,000	2,000,000,000
Term Loan from Bank	12	202,845,348	291,349,777
Retained Earnings	13	62,106,760	22,035,046
		<u><u>2,264,952,108</u></u>	<u><u>2,313,384,823</u></u>

The financial statements on pages 5 to 13 were approved by the Board of Directors and were signed on their behalf :-

Notes on Pages 8-13 form part of these Financial Statements


.....
Director

Date: -


.....
Director

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2009

	<u>NOTES</u>	<u>2009</u> <u>Tshs</u>	<u>2008</u> <u>Tshs</u>
<u>INCOME</u>			
Sale of Iron Bars		4,457,317,196	5,619,785,355
<u>Cost of Sales</u>			
Opening Stock of Finished Goods		418,488,224	603,375,233
Add: Cost of Goods Manufactured	14	<u>3,770,449,077</u>	<u>4,753,686,256</u>
		4,188,937,301	5,357,061,489
Less: Closing Stock of Finished Goods		<u>387,285,694</u>	<u>418,488,224</u>
		3,801,651,606	4,938,573,266
GROSS PROFIT		655,665,590	681,212,089
<u>LESS: OPERATING EXPENSES</u>			
Administration & Establishment	15	225,392,622	253,381,790
Selling & Distribution	16	13,365,260	17,023,775
Financial Charges	17	<u>347,956,425</u>	<u>306,591,382</u>
		586,714,307	576,996,947
Operating Profit/(Loss) Before Taxation		68,951,283	104,215,143
Add: Other Incomes	18	-	63,232,950
Profit/(Loss) for the Year Before Tax		68,951,283	167,448,093
Taxation for the year		21,041	43,434,620
Profit/(Loss) for the Year after Tax		68,930,241	124,013,473
Add: Balance Brought Forward		<u>22,035,046</u>	<u>5,708,827</u>
		90,965,288	129,722,300
Less: Tax Provision for Earlier Years		28,858,528	107,687,254
Prior Year Adjustments		-	-
		<u>62,106,760</u>	<u>22,035,046</u>
Less: Proposed Dividend		-	-
RETAINED PROFITS CARRIED FORWARD		62,106,760	22,035,046

Notes on Pages 8-13 form part of these Financial Statements


.....
Director

DATE:


.....
Director

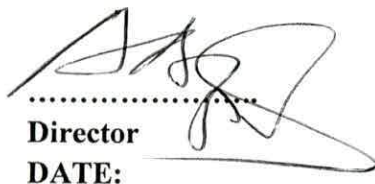
Date: -

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2009

	<u>2009</u>	<u>2008</u>
	<u>Tshs</u>	<u>Tshs</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit Before Tax	68,951,283	167,448,092
Adjustment For: Depreciation	275,511,458	262,367,760
	<u>344,462,740</u>	<u>429,815,852</u>
(Increase)/Decrease in Stocks	228,283,833	(374,200,693)
(Increase)/Decrease in Debtors, Prepayments & Advances	(24,716,149)	(130,007,501)
Increase/(Decrease) in Bank Overdraft	(9,751,890)	796,830,295
Increase/(Decrease) in Creditors & Other Liabilities	26,468,667	(162,260,685)
	<u>220,284,461</u>	<u>130,361,417</u>
CASH GENERATED FROM OPERATIONS	564,747,201	560,177,269
Less: Tax paid	(102,293,147)	(88,835,229)
NET CASH FROM OPERATING ACTIVITIES	A <u>462,454,054</u>	<u>471,342,040</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase/(Decrease) in Long Term Loans	(88,504,429)	(156,179,556)
Dividends Paid	-	(45,000,000)
NET CASH USED IN FINANCING ACTIVITIES	B <u>(88,504,429)</u>	<u>(201,179,556)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Assets	(382,444,579)	(283,218,072)
NET CASH USED IN INVESTING ACTIVITIES	C <u>(382,444,579)</u>	<u>(283,218,072)</u>
<u>CASH & CASH EQUIVALENTS</u>		
Increase/(Decrease) in Cash & Cash Equivalents	A+B+C (8,494,954)	(13,055,589)
Cash & Cash Equivalents as at 1st January	13,856,511	26,912,099
Cash & Cash Equivalents as at 31st December	<u>5,361,557</u>	<u>13,856,511</u>

Notes on Pages 8-13 form part of these Financial Statements

.....

Director
DATE:

.....

Director
Date: -

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2009

1 ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company has not adopted the International Financial Reporting Standards for the preparation and presentation of its financial statements. In the circumstances, these Financial Statements have been prepared under the generally accepted accounting principles.

2 SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The Financial Statements have been prepared under the historical cost convention. A Summary of more important accounting policies is set out below:

1.2 Turnover

Turnover represents the invoiced value of goods supplied net of VAT and Trade Discounts

1.3 Fixed Assets

Fixed Assets are stated in the Balance Sheet at cost less depreciation. Continuing existence and verification of Fixed Assets is certified by the management.

1.4 Depreciation

Depreciation is provided so as to write off the fixed assets on reducing instalment basis. The principal annual rates used for this purpose which are consistent with those of last year are:

<u>Nature of Asset</u>	<u>Rate per annum</u>
Land & Factory Building	5.00%
Saloon Vehicles	25.00%
Commercial Vehicles	37.50%
Plant & Machinery	12.50%
Weigh Bridge	12.50%
Gas Cylinder Plant	12.50%
Furniture & Equipment - Factory	12.50%
Furniture & Equipment - Office	12.50%
Computers	37.50%
Welding Machine	12.50%

1.5 Stocks

Stocks are valued and verified by the Management at the lower of cost and net realisable value

3 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzanian Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4 REGROUPING

Previous year figures have been rearranged and regrouped wherever necessary to make them comparable with the current year's figures.

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

5 FIXED ASSETS SCHEDULE

Sr. No.	Particulars	COST				DEPRECIATION				NET BLOCK	
		As at 01.01.2009	Additions	Transfers/ Disposals	As at 31.12.2009	As at 01.01.2009	Charge for the year	Adjustment for Disposal	As at 31.12.2009	As at 31.12.2009	As at 31.12.2008
1	Land & Factory Building	594,184,223	-	-	594,184,223	213,077,755	19,055,323	-	232,133,079	362,051,144	381,106,468
2	Saloon Vehicles	121,877,037	-	-	121,877,037	73,300,566	12,144,118	-	85,444,684	36,432,353	48,576,471
3	Commercial Vehicles	35,209,899	-	-	35,209,899	26,852,761	3,133,927	-	29,986,688	5,223,211	8,357,138
4	Plant & Machinery	3,109,555,781	380,980,908	-	3,490,536,689	1,656,488,120	229,256,071	-	1,885,744,191	1,604,792,498	1,453,067,661
5	Weigh Bridge	30,570,238	-	-	30,570,238	14,890,490	1,959,968	-	16,850,459	13,719,779	15,679,748
6	Gas Cylinder Plant	58,235,117	-	-	58,235,117	24,098,761	4,267,045	-	28,365,805	29,869,312	34,136,356
7	Furniture & Equipment - Factory	50,644,862	-	-	50,644,862	32,426,410	2,277,306	-	34,703,717	15,941,145	18,218,452
8	Furniture & Equipment - Office	49,234,364	1,463,671	-	50,698,035	25,522,114	3,146,990	-	28,669,104	22,028,931	23,712,251
9	Computers	4,202,280	-	-	4,202,280	3,584,402	231,704	-	3,816,106	386,174	617,878
10	Welding Machine	1,037,850	-	-	1,037,850	725,813	39,005	-	764,818	273,032	312,037
	TOTAL	4,054,751,651	382,444,579	-	4,437,196,230	2,070,967,192	275,511,458	-	2,346,478,650	2,090,717,581	1,983,784,459

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2009</u>	<u>2008</u>
	<u>Tshs</u>	<u>Tshs</u>
6 <u>STOCKS</u>		
Stock of Uniform	-	1,962,221
Stock of Materials	1,338,545,327	1,478,489,910
Stock of Finished Goods	387,285,694	418,488,224
Work in Progress	566,065,500	621,240,000
	<u>2,291,896,521</u>	<u>2,520,180,354</u>
7 <u>DEPOSITS, PREPAYMENTS & ADVANCES</u>		
Agip Cylinder Deposits	524,100	524,100
Celtel Deposit	800,000	800,000
Prepaid Insurance	2,039,683	1,329,271
TanESCO Deposits	1,933,608	1,933,608
Telephone Deposits	180,000	180,000
LPG Cylinder Deposit	237,500	237,500
Insurance Claim Receivable	592,760	592,760
Cylinder Deposits	500,000	500,000
T. O. L. Deposits	477,000	477,000
Advance tax	30,000,000	30,000,000
Staff Loan & Advances	11,010,351	18,061,483
Advances to Suppliers	21,649,225	59,164,338
W. C. Claim Receivable	94,727	94,727
Unclaimed Input VAT	-	49,067,500
	<u>70,038,954</u>	<u>162,962,287</u>
8 <u>BANK BALANCES & CASH</u>		
Cash In Hand	5,178,616	13,392,270
Diamond Trust Bank - Tshs	174,382	239,382
Diamond Trust Bank - USD Account	8,559	224,859
	<u>5,361,557</u>	<u>13,856,511</u>
9 <u>BANK OVERDRAFT</u>		
Exim Bank	11,490,168	19,901,376
National Bank of Commerce	2,161,676,722	2,163,017,403
	<u>2,173,166,890</u>	<u>2,182,918,779</u>

Bank Overdraft, with National Bank of Commerce Ltd. are secured by the following securities:

- a) First legal and continuous charge on the Land & Building which includes Plot No. 33 with Title No. 23998 situated at light industrial area, Mikocheni belonging to the Company.
- b) Limited Guarantees by the Shareholders.

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2009</u> <u>Tshs</u>	<u>2008</u> <u>Tshs</u>
10 <u>OTHER LIABILITIES</u>		
Withholding Tax Payable	452,800	452,800
Refundable W/Tax on Goods & Services	173,016	173,016
Telephone Charges Payable	404,938	355,940
Electricity and Water Charges Payable	795,533	174,733,693
Skills & Development Levy Payable	1,459,917	1,412,456
NSSF Payable	12,931,516	12,740,448
PAYE Payable	7,233,909	7,699,199
VAT Payable	58,449,823	4,783,308
Audit Fees Payable	5,514,600	4,800,000
Rent Payable	4,075,200	4,075,200
Sitting Fees to Directors	18,672,000	17,772,000
Due to Associate Company	421,763,799	-
TUICO Payable	250,200	111,200
	<u>532,177,251</u>	<u>229,109,260</u>
11 <u>SHARE CAPITAL</u>		
<u>Authorised Share Capital</u>		
5,000,000 Ordinary Shares of Shs. 1,000/- each	5,000,000,000	5,000,000,000
<u>Issued & Paid Up Capital</u>		
2,000,000 Ordinary Shares of Shs. 1,000/- each. (Previous Year 2,000,000 Ordinary Shares of Shares 1,000/- each)	2,000,000,000	2,000,000,000
12 <u>LONG TERM LOANS</u>		
Term Loans From National Bank of Commerce	193,333,333	273,333,333
EXIM Bank Vehicle Loan	9,512,015	18,016,444
	<u>202,845,348</u>	<u>291,349,777</u>
Term Loans from National Bank of Commerce are secured by the following securities:		
a) First legal and continuous charge on the Land & Building which includes Plot No. 33 with Title No. 23998 situated at light industrial area, Mikocheni belonging to the Company		
b) Limited Guarantees by the Shareholders.		
13 <u>RETAINED EARNINGS</u>		
Retained Profits/(Loss)	<u>62,106,760</u>	<u>22,035,046</u>

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	<u>2009</u>	<u>2008</u>
	<u>Tshs</u>	<u>Tshs</u>
14 <u>COST OF GOODS MANUFACTURED</u>		
Opening Stock of Materials	1,478,489,910	1,204,016,659
Add: Material Purchased	1,324,723,450	2,116,762,984
	<u>2,803,213,359</u>	<u>3,320,779,643</u>
Less: Closing Stock of Materials	1,338,545,327	1,478,489,910
MATERIAL CONSUMED	A <u><u>1,464,668,032</u></u>	<u><u>1,842,289,734</u></u>
<u>LABOUR</u>		
Salaries, Wages & Related Cost	248,818,013	256,221,467
Casual Wages & Labour	84,511,187	101,933,876
	B <u><u>333,329,200</u></u>	<u><u>358,155,343</u></u>
<u>FACTORY OVERHEADS</u>		
Electricity & Water	1,561,789,941	2,533,761,099
Factory Overheads and Machinery Rep. & Maint.	50,563,877	22,600,718
Factory Security	38,311,200	36,809,200
Insurance	9,757,608	9,257,034
Depreciation	256,854,719	237,403,129
	C <u><u>1,917,277,344</u></u>	<u><u>2,839,831,180</u></u>
MANUFACTURING COST INCURRED DURING THE YEAR	A+B+C 3,715,274,577	5,040,276,256
Add: Opening Work in Process	621,240,000	334,650,000
	<u>4,336,514,577</u>	<u>5,374,926,256</u>
Less: Closing Work in Process	566,065,500	621,240,000
COST OF GOODS MANUFACTURED	<u><u>3,770,449,077</u></u>	<u><u>4,753,686,256</u></u>
15 <u>ADMINISTRATIVE & ESTABLISHMENT</u>		
Salaries & Wages	75,639,646	77,462,129
Rent Office	4,528,000	4,528,000
Electricity & Water	1,029,000	777,000
Repairs & Maintenance - Furniture, Equipment & Building	15,358,261	22,327,056
Repairs & Maint. - Office & Other	7,807,282	11,567,789
Fees & Subscription	1,435,000	936,000
Audit Fees	5,514,600	4,800,000
Licence & Fees	4,342,450	2,277,000
Vehicle Expenses	4,717,326	12,971,026
Postage, Telephone, Telex & Internet Charges	10,312,371	10,518,474
Staff Uniform	1,962,221	1,975,549
Skills & Development Levy	19,467,461	19,965,216
Sitting Fees to Directors	24,000,000	24,000,000
NSSF Company Contribution	28,975,865	30,833,396
Property Tax & Land Rent	1,646,400	3,478,524
Depreciation	18,656,739	24,964,631
	<u><u>225,392,622</u></u>	<u><u>253,381,790</u></u>

M/S IRON & STEEL LIMITED, P.O.BOX 20427 - DAR-ES-SALAAM

	<u>2009</u> <u>Tshs</u>	<u>2008</u> <u>Tshs</u>
<u>COMPUTATION OF TAXABLE INCOME</u>		
Profit/(Loss) as per Accounts	68,951,283	167,448,092
<u>Add: Disallowable & Private element</u>		
Depreciation	275,511,458	262,367,760
Private use of Vehicles (15%)	707,599	1,915,279
Private use of Telephone (15%)	1,546,856	1,577,771
	<hr/> 346,717,195	<hr/> 433,308,902
Less: Wear & Tear	346,647,057	288,526,838
TAXABLE PROFIT FOR THE YEAR	<hr/> 70,138	<hr/> 144,782,065
TAX THERE ON @ 30%	21,041	43,434,619

WEAR & TEAR SCHEDULE FOR TAX PURPOSE

	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>	<u>CLASS VI</u>	<u>TOTAL</u>
Balance B/Fwd on 01.01.09	21,925,579	497,749,210	14,553,785	373,796,505	908,025,079
Additions		380,980,908	1,463,671	-	382,444,579
	<hr/> 21,925,579	<hr/> 878,730,118	<hr/> 1,463,671	<hr/> 373,796,505	<hr/> 1,290,469,658
Less: Dep. Charged till date in case of Class VI	-	-	-	92,488,487	92,488,487
Less: Wear & Tear	8,222,092	124,437,303	182,959	23,314,250	156,156,603
: 50% on Additions	-	190,490,454	-	-	190,490,454
	<hr/> 8,222,092	<hr/> 314,927,757	<hr/> 182,959	<hr/> 115,802,737	<hr/> 346,647,057
Balance C/Fwd on 31.12.09	<hr/> 13,703,487	<hr/> 563,802,362	<hr/> 1,280,712	<hr/> 257,993,768	<hr/> 943,822,601

IRON AND STEEL LIMITED

PROJECT DOCUMENT

ON

EXPANSION

OF

MANUFACTURING FACILITIES

FOR

HIGH TENSILE & MILD STEEL BARS

Prepared By:
IRON AND STEEL LIMITED
P.O. BOX 20427
DAR ES SALAAM

IRON AND STEEL LIMITED

PROJECT DOCUMENT

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DAR ES SALAAM

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

The building and construction industry is now picking up very fast and is already creating increased demand for iron bars. Encouraged by these positive developments, **IRON AND STEEL LIMITED** intends to expand manufacturing facilities for all types' HIGH TENSILE &MILD STEEL BARS with view of producing quality products and enable the company to venture into the export and local market as well.

This report is therefore about the financial and economic viability of establishing **IRON AND STEEL LIMITED** at Plot no 33 Mikocheni Industrial, Kinondoni Dar-es salaam.

1.2 THE PROJECT

The project envisages expansion of its company to manufacture all types' high tensile &mild steel bars with modern and bigger machinery and equipment.

1.3 SPONSORS

The project is being promoted and sponsored by **IRON AND STEEL LIMITED**. Private Limited Liability Company incorporated in Tanzania

1.4 THE MARKET

Steel is an essential item in every building. The demand for IRON AND STEEL in Tanzania as measured by the growth of the building and construction industry is enormous. The expansion of the factory will greatly enhance the production of various IRON AND STEEL products and enable the company venture into both locally & exports market as well.

1.5 ESTIMATED CAPITAL COST

The fixed capital cost of the project is currently estimated at approximately US 0.500 million as summarized below:

Investment	Local	Total Costs
Land Buildings	1,200,000	1,200,000
Plant & Machinery & Equipment	3,500,000	3,500,000
Motor Vehicles	300,000	300,000
Furnitures&Fixtures	300,000	300,000
Preliminary Expenses	200000	200000
Others	100,000	100,000
Working Capital	1,500,000	1,500,000
Total Costs	7,100,000	7,100,000

Initial increase in working capital is estimated at about US \$1.5 million.

1.6 FINANCING PLAN

The above fixed capital cost is planned to be financed as follows:

US\$

	Amount	Total
Equity	7,100,000	7,100,000
TOTAL	7,100,000	7,100,000

1.7 MANAGEMENT AND STAFF

The company will employ about 337 people of various skills.

1.8 DEVELOPMENT VALUES

The project is considered to have the following development aspects:

- (a) The project will produce high quality IRON AND STEEL which are in high demand.
- (b) The project is of import substitution nature as well as export oriented.
- (c) Manpower to be employed by the project will be about 337 people.

1.9 CONCLUSION AND RECOMMENDATION

Since the project as presented in this report is profitable, financially and economically viable, its implementation is highly recommended.

2.0 BACKGROUND INFORMATION

2.1 THE COMPANY

2.1.1 Company Name and Address

IRON AND STEEL LIMITED

P.O.BOX 20427

Dar-es-salaam

2.1.2 Corporate Status

Private Limited Liability Company incorporated in Tanzania to manufacture all types IRON AND STEEL.

2.1.3 Incorporation

Incorporated and registered in Tanzania on 23rd December 1992 under Certificate of Incorporation No. 22272

2.1.4 Shareholders and Shareholding

Name and Address	Nationality	% Shareholding
Amin Ramji	Tanzanian	36.37
Abdul Aziz Lalani	Kenyan	21.21
Sadrudin Sharif	Tanzanian	21.21
Sadrudin Mangalji	Canadian	21.21

3.0 MARKET

3.1 MARKET FOR IRON AND STEEL IN TANZANIA

3.1.1 Introduction

There are few medium/large scale IRON AND STEEL industries which produce high quality standard IRON AND STEEL mainly for the domestic market.

3.1.2 The Product

IRON AND STEEL LIMITED intends to produce high quality all types of iron and steel.

3.1.3 Past Demand

IRON AND STEEL is an essential item in every building, be it residential, office, hotel, school, hospital etc. The exact demand for IRON AND STEEL is difficult to quantify due to the unorganized nature of the building and construction industry. The supply of IRON AND STEEL in Tanzania is mainly from medium large scale IRON AND STEEL industries. . Because of the rather low technical development of the IRON AND STEEL industry in the country, even the most important productivity coefficients are not known because they have never been determined. Consequently, each manufacturer decided on his own way of measuring capacity.

3.1.4 Demand/Supply Gap

There is a shortage of IRON AND STEEL in Tanzania which is mainly substantiated by the number of importation and less number of Manufacturers . This is also indicated by the fact that the manufacturing facilities are always busy with more orders than they can produce.

3.1.5 Conclusion and Recommendation

Analysis of the market shows that there is a high market potential for good quality IRON AND STEEL in Tanzania. IRON AND STEEL LIMITED can exploit it easily and therefore expansion of the project has to be carried out as soon as possible.

It is therefore recommended that IRON AND STEEL LIMITED should emphasize on production of quality Iron &Steel..

4.0 THE PROJECT

4.1 PROJECT DESCRIPTION

M/S IRON AND STEEL LIMITED intends to expand its processing plant to produce all types iron and steel for locally and export markets. The plant will produce extra modern 20000 pieces of quality iron and steel per annum which will be able to compete in the Local market. The main products to be manufactured will include all types of iron and steel

5.0 ESTIMATED CAPITAL COST AND FINANCING PLAN

5.1 FIXED CAPITAL COST

The fixed capital cost of the Expansion of the project is estimated at about US\$ 7.1 million.

Investment	Local	Total Costs
Land Buildings	1,200,000	1,200,000
Plant & Machinery & Equipment	3,500,000	3,500,000
Motor Vehicles	300,000	300,000
Furnitures&Fixtures	300,000	300,000
Preliminary Expenses	200000	200,000
Others	100,000	100,000
Working Capital	1,500,000	1,500,000
Total Costs	7,100,000	7,100,000

5.1.1 Exchange Rate

The foreign cost component of the project has been estimated at exchange rate of US\$ 1 = TUS \$ 1500.

5.1.2 Land and Buildings

The renovation of the building to be suitable for the installation of the machineries and other facilities for the production of the iron and steel has been estimated at US\$ 1.2 million.

5.1.3 Motor Vehicles

It is suggested to purchase Various types of vehicles including 3 ton pick-up, one tractor with 20ft trailer and three Toyota be bought.

5.1.4 Import Duty

It is assumed that the project will be approved by the Tanzania Investment Centre (TIC) and therefore, qualify for exemption of import duty on imported plant machinery and motor vehicles for the project in accordance with.

5.2 FINANCING PLAN

The fixed capital cost of US 7.10million and is planned to be financed as follows:

US\$

	Local	Total
Equity		7,100,000
TOTAL		7,100,000

6.0 MANAGEMENT AND STAFF

6.1 MANAGEMENT

The company is managed through a Board of Directors. The Board has one of their numbers appointed as Managing Director. The Managing Director is the Chief Executive of the company responsible to the Board of Directors for the day to day functioning of this company. The Managing Director is assisted by the General Manager, who in turn is assisted by the Production Manager, Chief Accountant, Marketing Manager, Technical Manager and other staff.

6.2 STAFF

The total number of employees at present is about 337 people

7.0 FINANCIAL ANALYSIS

7.1 REVENUE ASSUMPTIONS

The basic assumptions underlying the projected production and sales revenue are detailed below:

7.1.1 Basic Assumptions

- i) The installed production capacity of the IRON AND STEEL factory is approximated at 2000 various pieces of IRON AND STEEL per year. The practical operation of a IRON AND STEEL factory is a single shift whose capacity is determined at the assembly section.
- ii) We estimate capacity utilization to increase from 70%, 80% and 90%.
- iii) The revenue and operating cost assumptions have been projected as constant prices, it being assumed that any substantial cost increase will be offset by a corresponding increase in the selling price.
- iv) The sales revenue for the project is derived from sales of the various iron & steel components produced

7.2 OPERATING COST ASSUMPTION

7.1.2 Raw Materials

7.1.3 Utilities

Utilities comprise electricity, water, fuel, oil and gas. The cost of utilities is estimated on the following basis.

(a) **Electricity and Water**

Electricity is used for running the various machinery as well as for general lighting while water is for general human consumption and cleaning. .

(b) **Fuel, Oil and Gas**

Fuel is mainly needed for motor vehicle running while oil is used for lubrication purposes as well as in transmission and hydraulic systems. .

7.1.4 Depreciation

In working out the depreciation charges, tax depreciation rates have been used on the straight line method.

Investment	Total Costs	Rate	Expense
Land Buildings	1,200,000	4.0%	48,000
Plant & Machinery & Equipment	3,500,000	12.5%	437500
Motor Vehicles	300,000	25.0%	75,000
Furniture & Fixtures	300,000	12.5%	37,500
Pre-operational Expenses	200000	20.0%	40,000
Total Costs	5,500,000		638,000

7.2 PROJECTED PROFIT AND LOSS ACCOUNTS

The Accounts clearly demonstrate that the project will be very profitable with pre-tax profits increasing from US \$2.08 million in year one and about US \$2.7 million from year five onwards.

7.3 PROJECTED CASHFLOW

The cash flow analysis shows that there will be enough cash during the project operation after the initial financing.

8.0 CONCLUSION & RECOMMENDATION

8.1 CONCLUSION

From the financial and economic evaluation of the project, the following conclusion can be drawn:

- (a) The Proposed project is commercially attractive and financially viable.
- (b) The project will create additional employment opportunities to above 337people.
- (c) Foreign exchange savings through import substitution and earnings through exports are substantial.

8.2 RECOMMENDATION

Since the project meets the main objectives, creating self sufficiency in basic consumer needs from locally available raw materials while earning foreign exchange, its early implementation is strongly recommended.

IRON AND STEEL LIMITED
Investment Cost

US \$

Investment	Local	Total Costs
Land Buildings	1,200,000	1,200,000
Plant & Machinery & Equipment	3,500,000	3,500,000
Motor Vehicles	300,000	300,000
Furnitures&Fixtures	300,000	300,000
Preliminary Expenses	200000	200,000
Others	100,000	100,000
Working Capital	1,500,000	1,500,000
Total Costs	7,100,000	7,100,000

IRON AND STEEL LIMITED

Financing Pattern

US \$

Equity	Local	Foreign	Total
Loan	7,100,000	-	7,100,000
Equity	7,100,000	-	7,100,000
	7,100,000	-	7,100,000

IRON AND STEEL LIMITED

Depreciation Schedule

US \$

Investment	Total Costs	Rate	Expense
Land Buildings	1,200,000	4.0%	48,000
Plant & Machinery & Equipment	3,500,000	12.5%	437500
Motor Vehicles	300,000	25.0%	75,000
Furniture & Fixtures	300,000	12.5%	37,500
Pre-operational Expenses	200000	20.0%	40,000
Total Costs	5,500,000		638,000

IRON AND STEEL LIMITED

Profit & Loss Profit

US \$000

	1	2	3	4	5	6	7	8	9-10
Revenue	5040	5760	6480	7200	7200	7200	7200	7200	7200
Total revenue	5040	5760	6480	7200	7200	7200	7200	7200	7200
Cost of sales	3024	3456	3888	4320	4320	4320	4320	4320	4320
Gross Profit	2016	2304	2592	2880	2880	2880	2880	2880	2880
<i>Other costs</i>									
Depreciation	638	638	638	638	638	638	638	638	83
Profit Before Tax	2008	2221	2509	2797	2797	2797	2797	2797	2797
Taxation 30%	602	666	753	839	839	839	839	839	839
Taxation	602	666	753	839	839	839	839	839	839
Net Profit	1406	1555	1756	1958	1958	1958	1958	1958	1958
Cumulative Profit	1406	2961	4717	6675	8633	10,590	12549	14507	16465

IRON AND STEEL LIMITED

Working Capital Schedule

US \$ '000'

	1	2	3	4	5	6	7	8	9	10
Stocks	712	929	1045	1161	1161	1161	1161	1161	1161	1161
Raw Materials (1month)	59	77	87	97	97	97	97	97	97	97
Spare Parts (3months)	0.75	0.85	0.95	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Finished goods (0.5 month)	8.4	96	108	120	120	120	120	120	120	120
Work in Progress (1 month)	168	192	211	240	240	240	240	204	240	240
Debtors										
Sales (1month)	168	192	211	240	240	240	240	240	240	240
Total	480	558	618	698	698	698	698	698	698	698
Creditors										
Purchases (0.5 month)	31.2	40.3	45.16	50.04	50.04	50.04	50.04	50.04	50.04	50.04
Electricity & Water	0.25	0.29	0.33	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Total	31.45	40.59	45.49	50.42	50.42	50.42	50.42	50.42	50.42	50.42
Net Working Capital	449	517	573	648	648	648	648	648	648	648
Increase in Working Capital	449	68	56	75	-	-	-	-	-	-

IRON AND STEEL LIMITED

Revenue Schedules

US \$ '000'

	0	1	2	3	4	5	6	7	8	9	10
Various IRON AND STEEL Products	100	70%	80%	90%	100%						
US \$ 400	7,200	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200
TOTAL	7,200	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200

IRON AND STEEL LIMITED

Revenue Schedules

US \$ '000'

	1	2	3	4	5	6	7	8	9	10
Various IRON AND STEEL Products	70%	80%	90%	100%						
US \$ 400	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200
TOTAL	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200

IRON AND STEEL LIMITED

Projected Cash Flow

US \$ '000'

	0	1	2	3	4	5	6	7	8	9	10
INFLOWS											
Equity	7.1										
Operating Inflow	-		-	-	-	-	-	-	-	-	-
Profit Before Tax	-	2008	2221	2509	2797	2797	2797	2797	2797	2797	2797
Depreciation	-	638	638	638	638	638	638	638	638	683	683
Total Inflows	7.1	1925	2138	2426	2880	2880	2880	2880	2880	2880	2880
OUTFLOWS											
Investment											
Operating inflow											
Increase in W/Capital		449	68	56	75	-	-	-	-	-	-
Taxation		602	666	753	839	839	839	839	839	839	839
Total Outflow		1051	734	80	914	839	839	839	839	839	839
Net Cash Flow	-	-	1051	1785	1865	2779	3618	4457	5296	6135	6974
Accumulated CashFlow		1051	1785	1865	2779	3618	4457	5296	6135	6974	7813

IRON AND STEEL LIMITED

PROJECT DOCUMENT

ON

EXPANSION

OF

MANUFACTURING FACILITIES

FOR

HIGH TENSILE & MILD STEEL BARS

Prepared By:
IRON AND STEEL LIMITED
P.O. BOX 20427
DAR ES SALAAM

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PROJECT DOCUMENT

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1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

The building and construction industry is now picking up very fast and is already creating increased demand for iron bars. Encouraged by these positive developments, **IRON AND STEEL LIMITED** intends to expand manufacturing facilities for all types' HIGH TENSILE &MILD STEEL BARS with view of producing quality products and enable the company to venture into the export and local market as well.

This report is therefore about the financial and economic viability of establishing **IRON AND STEEL LIMITED** at Plot no 33 Mikocheni Industrial, Kinondoni Dar-es salaam.

1.2 THE PROJECT

The project envisages expansion of its company to manufacture all types' high tensile &mild steel bars with modern and bigger machinery and equipment.

1.3 SPONSORS

The project is being promoted and sponsored by **IRON AND STEEL LIMITED**. Private Limited Liability Company incorporated in Tanzania

1.4 THE MARKET

Steel is an essential item in every building. The demand for IRON AND STEEL in Tanzania as measured by the growth of the building and construction industry is enormous. The expansion of the factory will greatly enhance the production of various IRON AND STEEL products and enable the company venture into both locally & exports market as well.

1.5 ESTIMATED CAPITAL COST

The fixed capital cost of the project is currently estimated at approximately US 0.500 million as summarized below:

Investment	Local	Total Costs
Land Buildings	1,200,000	1,200,000
Plant & Machinery & Equipment	3,500,000	3,500,000
Motor Vehicles	300,000	300,000
Furnitures&Fixtures	300,000	300,000
Preliminary Expenses	200000	200000
Others	100,000	100,000
Working Capital	1,500,000	1,500,000
Total Costs	7,100,000	7,100,000

Initial increase in working capital is estimated at about US \$1.5 million.

1.6 FINANCING PLAN

The above fixed capital cost is planned to be financed as follows:

US\$

	Amount	Total
Equity	7,100,000	7,100,000
TOTAL	7,100,000	7,100,000

1.7 MANAGEMENT AND STAFF

The company will employ about 337 people of various skills.

1.8 DEVELOPMENT VALUES

The project is considered to have the following development aspects:

- (a) The project will produce high quality IRON AND STEEL which are in high demand.
- (b) The project is of import substitution nature as well as export oriented.
- (c) Manpower to be employed by the project will be about 337 people.

1.9 CONCLUSION AND RECOMMENDATION

Since the project as presented in this report is profitable, financially and economically viable, its implementation is highly recommended.

2.0 BACKGROUND INFORMATION

2.1 THE COMPANY

2.1.1 Company Name and Address

IRON AND STEEL LIMITED
P.O.BOX 20427
Dar-es-salaam

2.1.2 Corporate Status

Private Limited Liability Company incorporated in Tanzania to manufacture all types IRON AND STEEL.

2.1.3 Incorporation

Incorporated and registered in Tanzania on 23rd December 1992 under Certificate of Incorporation No. 22272

2.1.4 Shareholders and Shareholding

Name and Address	Nationality	% Shareholding
Amin Ramji	Tanzanian	36.37
Abdul Aziz Lalani	Kenyan	21.21
Sadrudin Sharif	Tanzanian	21.21
Sadrudin Mangalji	Canadian	21.21

3.0 MARKET

3.1 MARKET FOR IRON AND STEEL IN TANZANIA

3.1.1 Introduction

There are few medium/large scale IRON AND STEEL industries which produce high quality standard IRON AND STEEL mainly for the domestic market.

3.1.2 The Product

IRON AND STEEL LIMITED intends to produce high quality all types of iron and steel.

3.1.3 Past Demand

IRON AND STEEL is an essential item in every building, be it residential, office, hotel, school, hospital etc. The exact demand for IRON AND STEEL is difficult to quantify due to the unorganized nature of the building and construction industry. The supply of IRON AND STEEL in Tanzania is mainly from medium large scale IRON AND STEEL industries. . Because of the rather low technical development of the IRON AND STEEL industry in the country, even the most important productivity coefficients are not known because they have never been determined. Consequently, each manufacturer decided on his own way of measuring capacity.

3.1.4 Demand/Supply Gap

There is a shortage of IRON AND STEEL in Tanzania which is mainly substantiated by the number of importation and less number of Manufacturers . This is also indicated by the fact that the manufacturing facilities are always busy with more orders than they can produce.

3.1.5 Conclusion and Recommendation

Analysis of the market shows that there is a high market potential for good quality IRON AND STEEL in Tanzania. IRON AND STEEL LIMITED can exploit it easily and therefore expansion of the project has to be carried out as soon as possible.

It is therefore recommended that IRON AND STEEL LIMITED should emphasize on production of quality Iron &Steel..

4.0 THE PROJECT

4.1 PROJECT DESCRIPTION

M/S IRON AND STEEL LIMITED intends to expand its processing plant to produce all types iron and steel for locally and export markets. The plant will produce extra modern 20000 pieces of quality iron and steel per annum which will be able to compete in the Local market. The main products to be manufactured will include all types of iron and steel

5.0 ESTIMATED CAPITAL COST AND FINANCING PLAN

5.1 FIXED CAPITAL COST

The fixed capital cost of the Expansion of the project is estimated at about US\$ 7.1 million.

Investment	Local	Total Costs
Land Buildings	1,200,000	1,200,000
Plant & Machinery & Equipment	3,500,000	3,500,000
Motor Vehicles	300,000	300,000
Furnitures&Fixtures	300,000	300,000
Preliminary Expenses	200000	200,000
Others	100,000	100,000
Working Capital	1,500,000	1,500,000
Total Costs	7,100,000	7,100,000

5.1.1 Exchange Rate

The foreign cost component of the project has been estimated at exchange rate of US\$ 1 = TUS \$ 1500.

5.1.2 Land and Buildings

The renovation of the building to be suitable for the installation of the machineries and other facilities for the production of the iron and steel has been estimated at US\$ 1.2 million.

5.1.3 Motor Vehicles

It is suggested to purchase Various types of vehicles including 3 ton pick-up, one tractor with 20ft trailer and three Toyota be bought.

5.1.4 Import Duty

It is assumed that the project will be approved by the Tanzania Investment Centre (TIC) and therefore, qualify for exemption of import duty on imported plant machinery and motor vehicles for the project in accordance with.

5.2 FINANCING PLAN

The fixed capital cost of US 7.10million and is planned to be financed as follows:

US\$

	Local	Total
Equity		7,100,000
TOTAL		7,100,000

6.0 MANAGEMENT AND STAFF

6.1 MANAGEMENT

The company is managed through a Board of Directors. The Board has one of their numbers appointed as Managing Director. The Managing Director is the Chief Executive of the company responsible to the Board of Directors for the day to day functioning of this company. The Managing Director is assisted by the General Manager, who in turn is assisted by the Production Manager, Chief Accountant, Marketing Manager, Technical Manager and other staff.

6.2 STAFF

The total number of employees at present is about 337 people

7.0 FINANCIAL ANALYSIS

7.1 REVENUE ASSUMPTIONS

The basic assumptions underlying the projected production and sales revenue are detailed below:

7.1.1 Basic Assumptions

- i) The installed production capacity of the IRON AND STEEL factory is approximated at 2000 various pieces of IRON AND STEEL per year. The practical operation of a IRON AND STEEL factory is a single shift whose capacity is determined at the assembly section.
- ii) We estimate capacity utilization to increase from 70%, 80% and 90%.
- iii) The revenue and operating cost assumptions have been projected as constant prices, it being assumed that any substantial cost increase will be offset by a corresponding increase in the selling price.
- iv) The sales revenue for the project is derived from sales of the various iron & steel components produced

7.2 OPERATING COST ASSUMPTION

7.1.2 Raw Materials

7.1.3 Utilities

Utilities comprise electricity, water, fuel, oil and gas. The cost of utilities is estimated on the following basis.

(a) **Electricity and Water**

Electricity is used for running the various machinery as well as for general lighting while water is for general human consumption and cleaning. .

(b) **Fuel, Oil and Gas**

Fuel is mainly needed for motor vehicle running while oil is used for lubrication purposes as well as in transmission and hydraulic systems. .

7.1.4 Depreciation

In working out the depreciation charges, tax depreciation rates have been used on the straight line method.

Investment	Total Costs	Rate	Expense
Land Buildings	1,200,000	4.0%	48,000
Plant & Machinery & Equipment	3,500,000	12.5%	437500
Motor Vehicles	300,000	25.0%	75,000
Furniture & Fixtures	300,000	12.5%	37,500
Pre-operational Expenses	200000	20.0%	40,000
Total Costs	5,500,000		638,000

7.2 PROJECTED PROFIT AND LOSS ACCOUNTS

The Accounts clearly demonstrate that the project will be very profitable with pre-tax profits increasing from US \$2.08 million in year one and about US \$.2.7 million from year five onwards.

7.3 PROJECTED CASHFLOW

The cash flow analysis shows that there will be enough cash during the project operation after the initial financing.

8.0 CONCLUSION & RECOMMENDATION

8.1 CONCLUSION

From the financial and economic evaluation of the project, the following conclusion can be drawn:

- (a) The Proposed project is commercially attractive and financially viable.
- (b) The project will create additional employment opportunities to above 337people.
- (c) Foreign exchange savings through import substitution and earnings through exports are substantial.

8.2 RECOMMENDATION

Since the project meets the main objectives, creating self sufficiency in basic consumer needs from locally available raw materials while earning foreign exchange, its early implementation is strongly recommended.

IRON AND STEEL LIMITED
Investment Cost
US \$

Investment	Local	Total Costs
Land Buildings	1,200,000	1,200,000
Plant & Machinery & Equipment	3,500,000	3,500,000
Motor Vehicles	300,000	300,000
Furnitures&Fixtures	300,000	300,000
Preliminary Expenses	200000	200,000
Others	100,000	100,000
Working Capital	1,500,000	1,500,000
Total Costs	7,100,000	7,100,000

IRON AND STEEL LIMITED

Depreciation Schedule

US \$

Investment	Total Costs	Rate	Expense
Land Buildings	1,200,000	4.0%	48,000
Plant & Machinery & Equipment	3,500,000	12.5%	437500
Motor Vehicles	300,000	25.0%	75,000
Furniture & Fixtures	300,000	12.5%	37,500
Pre-operational Expenses	200000	20.0%	40,000
Total Costs	5,500,000		638,000

IRON AND STEEL LIMITED

Profit & Loss Profit

US \$000

	1	2	3	4	5	6	7	8	9-10
Revenue	5040	5760	6480	7200	7200	7200	7200	7200	7200
Total revenue	5040	5760	6480	7200	7200	7200	7200	7200	7200
Cost of sales	3024	3456	3888	4320	4320	4320	4320	4320	4320
Gross Profit	2016	2304	2592	2880	2880	2880	2880	2880	2880
<i>Other costs</i>									
Depreciation	638	638	638	638	638	638	638	638	83
Profit Before Tax	2008	2221	2509	2797	2797	2797	2797	2797	2797
Taxation 30%	602	666	753	839	839	839	839	839	839
Taxation	602	666	753	839	839	839	839	839	839
Net Profit	1406	1555	1756	1958	1958	1958	1958	1958	1958
Cumulative Profit	1406	2961	4717	6675	8633	10,590	12549	14507	16465

IRON AND STEEL LIMITED

Working Capital Schedule

US \$ '000'

	1	2	3	4	5	6	7	8	9	10
Stocks	712	929	1045	1161	1161	1161	1161	1161	1161	1161
Raw Materials (1month)	59	77	87	97	97	97	97	97	97	97
Spare Parts (3months)	0.75	0.85	0.95	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Finished goods (0.5 month)	8.4	96	108	120	120	120	120	120	120	120
Work in Progress (1 month)	168	192	211	240	240	240	240	204	240	240
Debtors										
Sales (1month)	168	192	211	240	240	240	240	240	240	240
Total	480	558	618	698	698	698	698	698	698	698
Creditors										
Purchases (0.5 month)	31.2	40.3	45.16	50.04	50.04	50.04	50.04	50.04	50.04	50.04
Electricity & Water	0.25	0.29	0.33	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Total	31.45	40.59	45.49	50.42	50.42	50.42	50.42	50.42	50.42	50.42
Net Working Capital	449	517	573	648	648	648	648	648	648	648
Increase in Working Capital	449	68	56	75	-	-	-	-	-	-

IRON AND STEEL LIMITED

Revenue Schedules

US \$ '000'

	0	1	2	3	4	5	6	7	8	9	10
Various IRON AND STEEL Products	100	70%	80%	90%	100%						
US \$ 400	7,200	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200
TOTAL	7,200	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200

IRON AND STEEL LIMITED

Revenue Schedules

US \$ '000'

	1	2	3	4	5	6	7	8	9	10
Various IRON AND STEEL Products	70%	80%	90%	100%						
US \$ 400	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200
TOTAL	5040	5760	6480	7200	7200	7200	7200	7200	7200	7200

IRON AND STEEL LIMITED

Projected Cash Flow

US \$ '000'

	0	1	2	3	4	5	6	7	8	9	10
INFLOWS											
Equity	7.1										
Operating Inflow	-		-	-	-	-	-	-	-	-	-
Profit Before Tax	-	2008	2221	2509	2797	2797	2797	2797	2797	2797	2797
Depreciation	-	638	638	638	638	638	638	638	638	683	683
Total Inflows	7.1	1925	2138	2426	2880	2880	2880	2880	2880	2880	2880
OUTFLOWS											
Investment											
Operating inflow											
Increase in W/Capital		449	68	56	75	-	-	-	-	-	-
Taxation		602	666	753	839	839	839	839	839	839	839
Total Outflow		1051	734	80	914	839	839	839	839	839	839
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Accumulated CashFlow		1051	1785	1865	2779	3618	4457	5296	6135	6974	7813