



ANNUAL REPORT 2024

KAMAL STEELS LIMITED

P.O. BOX 10392

DAR ES SALAAM

KAMAL STEELS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

TABLE OF CONTENTS

Sr. No.	Particulars	Page No.
1	Corporate Information	1
2	Directors' Report & Statement of Directors' Responsibilities	2 to 5
3	Declaration of the Head of Accounting and Finance	6
4	Independent Auditor's Report	7 & 8
5	Statement of Profit or Loss and Other Comprehensive Income	9
6	Statement of Financial Position	10
7	Statement of Changes in Equity	11
8	Statement of Cash Flows	12
9	Significant Accounting Policies	13 to 18
10	Notes to the Financial Statements	19 to 27

KAMAL STEELS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

CORPORATE INFORMATION

Board of Directors

<u>Name</u>	<u>Nationality</u>
Mr. Gagan Santosh Gupta	Indian
Mr. Sameer Santosh Gupta	Tanzanian
Mr. Satyam S. Gupta	Indian
Mr. Padma Kumar Chungath Karunakaran	Indian
Mr. Augustino Edwin Ndomba	Tanzanian

Registered Office of the Company

Plot 188/2, Mwakalinga Road,
Chnag'ombe, Industrial Area,
P. O. Box 10392
Dar es Salaam,
Tanzania.

Auditors

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

Company Secretary

Satyam S. Gupta
P. O. Box 10392
Dar es Salaam,
Tanzania.

Bankers

CRDB Bank Plc
HDFC Bank
Bank of India (Tanzania) Ltd
Standard Chartered Tanzania
Tanzania.
United Bank of Africa (Tanzania) Limited
Bank of Baroda (Tanzania) Limited
NBC Bank Limited
Azania Bank

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2024**

The Members,

The Directors have pleasure in submitting their report together with the financial statements for the year ended 31st December, 2024 which discloses the state of affairs of the Company. The financials have been prepared for the year ending on 31st December, 2024.

1. DIRECTORS

The Directors of the Company at the date of this report, all of whom have served since 3rd February, 2004, unless otherwise stated are:

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
Mr. Gagan Santosh Gupta	Indian	Chairman
Mr. Sameer Santosh Gupta	Tanzanian	Director
Mr. Satyam S. Gupta	Indian	Director
Mr. Padma Kr Chugath Karunakaran	Indian	Director
Mr. Augustino Edwin Ndomba	Tanzanian	Director

In accordance with the Company's Articles of Association, the Directors are not required to retire by rotation.

2. COMPANY SHAREHOLDING

Kamal Steel Limited

As at 31st December, 2024 the Company had 582,949 shares of Tzs 10,000 each. The shareholders are listed below:

Name of Shareholder	No. of Shares
Mr. Gagan Santosh Gupta	284,543
Mr. Sameer Santosh Gupta	297,405
Mr. Satyam S. Gupta	1,001
Total	582,949

3. CORPORATE GOVERNANCE

The Board of Directors consists of three 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.

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2024**

4. 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, 2024 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 a regular basis.

5. 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.

6. RESULTS AND DIVIDEND

The financial results are set out at Page No. 9-12 of this report. The Directors do not recommend any dividend for this period.

7. STATUTORY PAYMENTS

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

8. RELATED PARTY DISCLOSURE

Related Party Transactions are all carried out at 'Arm Length' price.

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2024**

9. AUDITORS

The auditors, M/s. Baker Tilly DGP & Co, have expressed their willingness to accept the appointment in office as auditors and are eligible for appointment.

10. 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

Name: SATYAM S GUPTA

Dated: 9/07/2025

DIRECTOR

Name:

Dated:

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2024**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act requires the Directors 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 its profit or loss. It also requires the Directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of their profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

BY ORDER OF THE BOARD



DIRECTOR

Name: SATYAM S GUPTA

Dated: 9/07/2025

DIRECTOR

Name:

Dated:

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER 2024

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 Statement of Directors' Responsibilities on an earlier page.

I, CPA Asterius R. Rwebikiza, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2024 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 Kamal Steels Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed: _____



NBAA Membership No.: ACPA-PP-5558

Dated: 28/06/25

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAMAL STEELS LIMITED

Office 10-2, Level 10, IT Plaza,
Garden Avenue / Ohio Street,
P. O. Box - 1314, Dar es Salaam
Tanzania

T: +255 653 222 299, +255 768 222 299

info@bakertilly.co.tz
www.bakertilly.co.tz

Opinion

We have audited the consolidated financial statements of Kamal Steels Limited, which comprise the Statement of Financial Position as at 31st December, 2024, 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, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and 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.

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.

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 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.

Partners:

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

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.

Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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,


Kailas K. Bhattach
Partner

Place: Dar es Salaam

Date : 09/07/2025



KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam


**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2024**

PARTICULARS	NOTE	2024 TZS '000	2023 TZS '000
Revenue		55,597,481	65,051,075
Cost of sales	4	(47,793,091)	(51,038,071)
Gross profit		7,804,390	14,013,004
Other income	5	16,164,357	5,190,974
		23,968,747	19,203,978
<u>Less: Expenses</u>			
Administrative expenses	6	(6,354,210)	(5,637,196)
Selling and distribution expenses	7	(1,177,735)	(1,053,275)
Financial expenses	8	(12,994,861)	(9,681,394)
		(20,526,805)	(16,371,865)
Profit / (loss) before depreciation		3,441,941	2,832,113
Less: Depreciation		(2,756,427)	(1,753,053)
Profit / (loss) before tax		685,515	1,079,060
Less: Tax expense / credit	9	(419,879)	(426,238)
Profit / (loss) after tax		265,636	652,822
Other comprehensive income / (loss)			
Gain / (loss) on fair value adjustment of borrowings		556,270	-
Deferred tax related to fair valuation of investments		(166,881)	-
Gain / (loss) on fair valuation of property, plant and equipment			
Others (please specify)			
Total comprehensive income / (loss)		655,025	652,822

The significant accounting policies on pages 13 to 18 and the notes on pages 19 to 27 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 27 were approved by the Board of Directors and signed on behalf by:



Director
Name: SATYAM S GUPTA
Dated: 09/07/2025

Director
Name: _____
Dated: _____

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2024

PARTICULARS	NOTE	31st December	
		2024 TZS '000	31st December 2023 TZS '000
Non current assets			
Property, plant & equipment	22	69,727,285	74,048,195
Intangible assets	23	12,451	18,676
Investments	10	2,616,091	2,081,323
Other non-current assets	11	56,562,091	56,075,032
		<u>128,917,918</u>	<u>132,223,227</u>
Current assets			
Inventories	12	10,827,892	10,457,399
Trade and other receivables	13	39,577,792	36,971,296
Cash and cash equivalents	14	3,330,856	953,233
		<u>53,736,540</u>	<u>48,381,928</u>
Total assets		<u>182,654,458</u>	<u>180,605,154</u>
Equity			
Share capital	15	5,829,490	5,829,490
Revaluation reserve		53,200,049	53,316,268
Retained earnings		448,259	3,089,206
Share application money		1,822,129	1,822,129
		<u>61,299,927</u>	<u>64,057,092</u>
Non current liabilities			
Long term liabilities	16	75,280	399,494
Borrowings- Long Term	17	88,248,509	65,104,506
Deferred tax liabilities	9	9,494,293	9,841,459
		<u>97,818,082</u>	<u>75,345,460</u>
Current liabilities			
Trade and other payables	18	5,693,100	6,788,756
Provisions	19	1,711,765	1,352,602
Bank overdraft	20	10,692,908	18,419,601
Borrowings- Short Term	17	5,007,584	14,451,740
Current tax	21	431,092	189,903
		<u>23,536,449</u>	<u>41,202,602</u>
Total equity and liabilities		<u>182,654,458</u>	<u>180,605,154</u>

The significant accounting policies on pages 13 to 18 and the notes on pages 19 to 27 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 27 were approved by the Board of Directors and signed on behalf by:

Director
Name: SATYAM S GUPTA
Dated: 09/07/2025

Director
Name: _____
Dated: _____

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	Share capital	Revaluation	Retained earnings	Total
	TZS '000	reserve TZS '000	TZS '000	TZS '000
Year ended 31st December 2023				
As at start of the year	5,829,490	17,818,653	2,130,915	25,779,058
Revaluation increase/(decrease)	-	40,533,500	-	40,533,500
Transfer of revaluation depreciation from reserve	-	(174,765)	174,765	-
Deferred tax asset on revaluation depreciation	-	52,429	-	52,429
Prior year adjustments	-	-	130,704	130,704
Deferred tax liability on asset revaluation (Building)	-	(4,913,550)	-	(4,913,550)
	5,829,490	53,316,268	2,436,384	61,582,141
Net profit / (loss)	-	-	652,822	652,822
At the end of the year	5,829,490	53,316,268	3,089,206	62,234,964
Period ended 31st December 2024				
As at start of the year	5,829,490	53,316,268	3,089,206	62,234,964
Transfer of revaluation depreciation from reserve	-	(166,027)	166,027	-
Deferred tax asset on revaluation depreciation	-	49,808	-	49,808
Prior year adjustments	-	-	(3,461,998)	(3,461,998)
Other comprehensive income	-	-	389,389	389,389
Net profit / (loss)	5,829,490	53,200,049	182,624	59,212,163
	-	-	265,636	265,636
At the end of the year	5,829,490	53,200,049	448,259	59,477,798

The significant accounting policies on pages 13 to 18 and the notes on pages 19 to 27 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 27 were approved by the Board of Directors and signed on behalf by:



Director

Name: SATYAM S. GUPTA

Dated: 09/07/2025

Director
Name: _____
Dated: _____

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	2024 TZS '000	2023 TZS '000
<u>Cash flows from operating activities</u>		
Profit / (loss) before tax	685,515	1,079,060
Adjustment for:		
Depreciation & amortisation	2,777,113	1,793,821
Profit / loss on sale of fixed assets	(7,839,308)	(3,136)
Provision for impairment made during the year	124,286.00	-
Difference in opening balance	(3,196,144)	-
	<u>(7,448,539)</u>	<u>2,869,745</u>
<u>Movements in working capital:</u>		
(Increase) / decrease in inventories	(361,339)	2,770,004
Increase / (decrease) in trade and other payables	(1,269,936)	(12,969,454)
Increase / (decrease) in provisions	359,162	254,710
Cash generated from operations	(11,161,018)	(9,433,559)
Less: Taxes paid	(468,151)	(216,982)
Net cash generated by operating activities (A)	(11,629,169)	(9,650,541)
<u>Cash flow from investing activities</u>		
Payments for purchase of property, plant and equipment	(889,339)	(1,064,554)
Investment	(1,021,827)	-
Proceed from disposal of property, plant and equipment	10,269,017	3,136
Net cash used in investing activities (B)	8,357,852	(1,061,419)
<u>Cash flow from financing activities</u>		
Increase/ (decrease) in Long term Loan	13,375,634	(8,000,073)
Proceed from borrowings	-	19,590,415
Repayment of overdraft	-	-
Net cash generated by financing activities (C)	13,375,634	11,590,342
Net increase in cash and cash equivalents (A+B+C)	10,104,316	878,382
Cash and cash equivalents at the beginning of the year	(17,466,368)	(18,344,750)
Cash and cash equivalents at the end of the year	(7,362,052)	(17,466,368)

The significant accounting policies on pages 13 to 18 and the notes on pages 19 to 27 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 27 were approved by the Board of Directors and signed on behalf by:

Director 
Name: SATYAM S. GUPTA
Dated: 09/07/2025

Director _____
Name: _____
Dated: _____

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

1. GENERAL INFORMATION

Kamal Steels Limited and Kamal Refinery Limited are incorporated in Tanzania under the Companies Act, 2002 as a limited liability company and it is domiciled in Tanzania. The address of its registered office is:

Plot No. 188/2, Mwakalinga Road,
Chnag'ombe, Industrial Area,
P.O. Box 10392,
Dar es Salaam,
Tanzania.

2. ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS

A. Standards, A. Standards, Amendments to the standards and Interpretations effective in the year 2024

The following standards, amendments and new interpretations issued by the IFRIC and are mandatory for the accounting periods beginning on or after 1st January 2024:

- Amendments to IFRS 16: Leases – Lease Liability in a Sale and Leaseback - Application of amendments with the first application of IFRS 16 (Effective from 1st January 2024)
- IFRS 7: Financial Instruments Disclosures – Supplier Finance Arrangements (Effective from 1st January 2024)
- Amendments to IAS 1: Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements (Effective from 1st January 2024)

The adoption of these standards, amendments and interpretations has not led to any change in the accounting policies of the Company.

B. Standards, Amendments and Interpretations issued, but not yet effective

A number of new standards, amendments to standards and interpretations are effective for forthcoming periods and the Company had not adopted any of these Standards, Amendments of interpretations from an early date. The management does not foresee any major change in the accounting policies of the Company due to such amendments.

- Amendments to IAS 12: Income Taxes - International Tax Reform – Pillar Two Model Rules
- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures
- IFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3. SUMMARY OF ACCOUNTING POLICIES

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

A. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in the functional currency, Tanzania Shillings (Tzs). The policies set out below have been consistently applied to all the years presented except for those relating to the classification and measurement of financial instruments.

The Financial Statements are made for the year ended on 31st December, 2024.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. 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 recognised in the Profit and Loss account.

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.

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

Subsequent costs are included in asset's carrying amount or recognised 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 company has adopted cost model for the valuation of assets as provided in IAS 16, Property, Plant and Equipment.

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:

Assets	Rate (%)
Building	5.00
Containers	12.50
Hydra Cranes	12.50
Plant & Machinery	12.50
Trucks	12.50
Computer & IT Equipment	33.00
Software	33.33
Lease Assets	01.00
Furniture, fixtures & Office equipment	12.50
Motor Vehicles Class I	12.50
Motor Vehicles Class II	12.50

All repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred. Lease hold assets are amortized.

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 profit and loss account.

E. IMPAIRMENT OF ASSETS

At each balance sheet date, the company reviews the carrying amounts of its assets 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 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. LEASES

The Company recognizes all lease liabilities and corresponding right of use assets, with the exception of short-term (12 months or fewer) and low value leases, on the balance sheet.

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease. The Company leases property under operating lease and

- Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated statement of cash flows.

G. INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable 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, current accounts operated with banks for company's normal trade transactions and short-terms deposits with an original maturity of three months or less. 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.

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. DEFERRED INCOME TAXES

Income tax expense is the aggregate of the charge to the profit and loss account 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.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the Directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

L. TAXATION

Income tax expense is the aggregate of the charge to the profit and loss account 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.

M. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributes 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.

N. 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 recognized as a separate asset but only when the reimbursement is virtually certain.

O. FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. 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.

P. 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.

Q. 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. The company is generally dealing in local currency and thus, it is not much exposed to foreign currency risk.

R. INTEREST RATES AND LIQUIDITY RISK

Fluctuation in interest rates has impact on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. The company has availed long term and short-term funding from the banks. The interest rates are dependent upon the market conditions and are subject to change. The said change can affect the profitability of the company. However, the management keeps a close watch on the developments in the market and accordingly takes steps to minimize the risk.

3.2 INVESTMENTS

Investments are stated at cost. Provision is made where in the opinion of Directors; there is a permanent diminution in value. Permanent diminution is recognized as an expense in the period in which it is identified.

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	2024	2023
	TZS '000	TZS '000
4 Cost of sales		
Opening stock of raw materials	9,084,448	8,434,887
Purchases	42,188,007	42,489,594
Less: Closing stock of raw materials & consumables	(9,423,089)	(9,084,448)
Cost of material consumption	41,849,366	41,840,033
Add: Direct costs		
Salaries and wages - direct	496,041	522,081
Insurance - direct	264,053	139,045
Testing Fees	16,925	11,636
Electricity and water expenses - direct	2,580,682	2,859,947
Repairs and maintenance - direct	579,689	433,159
Natural gas, oxygen and LPG cylinder	1,953,233	1,750,481
Safety accessories	71,620	32,239
Depreciation - direct	13,334	29,886
	5,975,577	5,778,473
Add : Opening stock of finished goods	1,372,951	4,792,516
Less: Closing stock of finished goods	(1,404,803)	(1,372,951)
Total	47,793,091	51,038,071
5 Other income		
Interest income	7,952,455	4,393,366
Electricity income	-	79,766
Miscellaneous income	84,306	212,699
Transportation charges (Income)	-	127,807
Profit on sale of fixed assets	7,839,308	3,136
Rent received	288,288	374,201
Total	16,164,357	5,190,974

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	2024	2023
	TZS '000	TZS '000
6 Administrative expenses		
Amortisation - Admin	7,352	10,882
Audit fees	28,800	30,000
Salaries and wages - Admin	2,720,852	2,462,410
Conveyance charges	23,780	7,096
Director's remuneration and fees	420,000	420,000
Donations	50,458	46,860
Electricity and water expenses - Admin	41,903	47,155
Repairs and maintenance - Indirect	132,834	-
License fees	74,539	93,458
Legal and professional fees	272,915	554,727
Leave allowance	100,592	19,829
Medical and local expenses	90,205	24,791
NSSF contribution - Admin	369,740	338,539
NHIF contribution - Admin	119,213	95,277
Factory canteen expenses	175,140	69,801
Rent - others	252,636	225,970
Telephone, postage and internet expenses	86,986	80,940
Provision for impairment	124,286	41,167
Recruitment expenses	167,248	206,376
SDL cost	130,908	128,943
Printing and stationery expenses	39,799	49,994
Security expenses	3,585	4,709
Stamp duty	66	188
Office expenses	154,201	60,446
Workers' compensation fund	16,568	15,009
Travelling expenses	654,178	463,413
Training expenses	74,028	72,636
Newspaper, Periodicals and Subscription charges	18,541	35,803
Incentive expenses	-	28,236
land rent	2,856	2,540
Total	6,354,210	5,637,196
7 Selling and distribution expenses		
Advertisement expenses	155,036	170,213
City service levy charges	198,610	196,773
Other selling & distribution expenses	723,187	676,692
Sales promotion expenses	100,902	9,597
Total	1,177,735	1,053,275

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	2024	2023
	TZS '000	TZS '000
8 Financial expenses		
Bank charges	803,555	423,983
Bank interest	10,404,966	6,868,507
Collateral Management Fees	183,406	-
Interest on loan from others	588,329	250,100
Interest on lease liability	-	8,532
Foreign exchange loss / (gain)	-	1,910,101
Foreign exchange loss / (gain) - unrealised	1,014,605	220,171
Total	12,994,861	9,681,394

9 Tax expenses

Current tax	884,119	528,551
Deferred tax	(464,240)	(119,556)
Prior year taxes	-	17,243
Total	419,879	426,238

Reconciliation of tax expenses:

Net profit as per statement of profit or loss	685,515	1,079,060
Tax @ 30 %	205,654	323,718

Adjustment for:

Effect of disallowances under tax laws	239,216	85,277
Others	(24,991)	17,243
Tax expenses as per books	419,879	426,238

Break-up of deferred tax:

Particulars	At start of the year	Charge to statement of profit or loss	Charge to statement of equity	At end of the year
	TZS '000	TZS '000	TZS '000	TZS '000
Deferred tax liabilities				
Property, plant and equipment				
- accelerated capital allowance	3,821,164	(225,910)	-	3,595,254
- revaluation	6,086,347	-	(49,808)	6,036,539
- fair valuation	-	-	166,881	166,881
Unrealised foreign exchange gain	-	(304,381)	-	(304,381)
	9,907,511	(530,291)	117,073	9,494,293
Deferred tax asset				
Tax losses carried forward	-	-	-	-
Unrealised foreign exchange loss	(66,051)	66,051	-	-
	(66,051)	66,051	-	-
Net deferred tax liability / (asset)	9,841,459	(464,240)	117,073	9,494,293

10 Investments

Investment in shares	2,369,249	2,390,751
Provision for impairment of investments	-	(309,428)
Gain of investments	246,842	-
	2,616,091	2,081,323

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	2024 TZS '000	2023 TZS '000
11 Other non-current assets		
Due from associate companies and related parties	11,234,682	8,610,740
Other long term advances	45,327,409	47,464,292
	<u>56,562,091</u>	<u>56,075,032</u>
12 Inventories		
Closing stock of raw materials	9,423,089	9,084,448
Closing stock of finished goods	1,404,803	1,372,951
	<u>10,827,892</u>	<u>10,457,399</u>
13 Trade and other receivables		
Advance to employees	29,036	35,163
Advance to suppliers	13,292,899	21,693,139
Other receivables	23,395	315,779
Deposits and prepayments	820,585	56,155
Short term advances	-	109,418
Trade debtors	22,841,125	13,308,930
Provision for impairment	(361,974)	(237,688)
Previous years tax receivable	702,050	702,050
VAT receivable	2,230,677	988,349
	<u>39,577,792</u>	<u>36,971,296</u>
Age of Receivables	% provision for impairment	
< 90 Days	1%	4,817,268
91 - 120 Days	2%	1,516,003
121 - 365 Days	5%	16,173
> 366 Days	10%	2,826,720
Total Debtors		<u>9,176,165</u>
		<u>361,974</u>
14 Cash and cash equivalents		
Cash in hand - TSH	36,849	20,828
Cash in hand - USD	1,271	8,103
Bank accounts - TSH	1,807,155	522,973
Bank account - USD	1,481,951	401,328
Bank account - EUR	3,630	-
	<u>3,330,856</u>	<u>953,233</u>
15 Share capital		
<u>Authorised capital</u>		
7,00,000 shares of Tzs 10,000/- each	<u>7,000,000</u>	<u>7,000,000</u>
<u>Issued and paid up share capital</u>		
582,949 shares of Tzs 10,000/- each	<u>5,829,490</u>	<u>5,829,490</u>
	<u>5,829,490</u>	<u>5,829,490</u>

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	2024 TZS '000	2023 TZS '000
16 Long term liabilities		
Lease liability	75,280	105,099
Loan from director	-	22,796
Other liabilities	-	271,600
	75,280	399,494
17 Borrowings		
Non current	2024	2023
	TZS '000	TZS '000
Long term loan from banks		
<i>CRDB</i>	73,398,670	37,790,615
<i>HDFC</i>	14,702,508	26,729,438
<i>Bank Of India</i>	147,329	584,454
	88,248,509	65,104,506
	88,248,509	65,104,506
Current		
Short term loan from banks	2,544	9,031,062
Short term loan from others	5,005,040	5,420,677
	5,007,584	14,451,740
	93,256,093	79,556,246

Security details:

The borrowings including overdraft disclosed in note below, are secured by the following:

- a) Legal mortgage by way of first charge over Certificate of title no. 59089, Land office No. 235240, Plot No. 188/2, Chang'ombe, Dar es Salaam in the name of Kamal Steels Limited.
- b) Legal mortgage by way of first charge over Certificate of title no. 3373, Land office No. 21782, Plot No. 1285/84, Zaramo Street, Dar es Salaam in the name of Kamal Steels Limited.
- c) A first ranking debenture over all assets of the Borrower registered to secure TZS 32.692 billion and USD 38,066,610.
- d) Corporate guarantee executed by Kamal Alloys Limited to secure TZS 32.692 billion and USD 38,066,610.
- e) Director's guarantee executed by Sameer Gupta, Gagan Gupta and Satyam Gupta to secure TZS 32.692 billion and USD 38,066,610.
- f) Stock under CMA arrangement in the United Republic of Tanzania and the Republic of south Africa.
- g) Surety Bond Over landed property with legal description Erven 5926 and 5982 of Kuils River, Western Cape, Cape-Town south Africa, including plants and machineries of steel factory in Cape-Town South Africa owned by Kamal CISCO (Pty) Ltd.
- h) Pledge agreement of share of Kamal CISCO (Pty) Ltd and cession of share certificates of all Kamal CISCO (Pty) Ltd shareholders.

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	2024 TZS '000	2023 TZS '000
18 Trade and other payables		
Trade creditors	5,021,752	4,291,023
Other expense payable	153,308	69,072
Advance from customers	518,040	2,428,661
	<u>5,693,100</u>	<u>6,788,756</u>
19 Provisions		
NSSF payable	73,539	71,329
PAYE payable	56,018	49,248
Provision for electricity expenses	182,279	250,591
Interest payable	838,822	225,090
City service levy payable	31,074	-
Salary and benefits payable	261,146	526,322
Withholding tax payable	225,294	185,757
Audit fees payable	28,800	30,000
SDL payable	13,112	12,637
WCF payable	1,682	1,629
	<u>1,711,765</u>	<u>1,352,602</u>
20 Bank overdraft		
Bank overdraft - TSH	9,481,265	5,480,530
Bank overdraft - USD	1,211,643	12,939,071
	<u>10,692,908</u>	<u>18,419,601</u>
Security details:		
Refer above security note.		
21 Current tax		
Balance at the beginning of the year	189,903	(8,205)
Tax paid as per last year final returns	(189,903)	8,205
Provision for tax current year tax	884,119	528,551
Assessment tax payable	15,124	-
Advance tax paid	(200,000)	(250,000)
Withholding tax receivable	(268,151)	(88,648)
	<u>431,092</u>	<u>189,903</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

22 Property, plant & equipment

Particulars	Leasehold Land - Mahando		Building		Plant and machinery		Leasehold Land		Leasehold Land - Oyesterbay		Trucks		Computer & IT Equipment		Lease Asset		Furniture, fixtures & Office equipment		Motor vehicles Class I		Motor vehicles Class II		Leasehold Land - Kalenga		Leasehold Land (Dryport-Kibaha)		Total			
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000		
Cost																														
Balances at 1st January 2023	2,564,797	11,330,235	17,370,510	16,020,000	427,501	398,894	481,247	1,161,981	638,739	209,800	406,152	51,773,879																		
Additions	-	128,217	696,546	-	-	37,754	-	44,091	157,946	-	-	1,064,554																		
Increase in revaluation	-	16,378,500	-	24,155,000	-	-	-	-	-	-	-	40,533,500																		
Transfer to CWIP / Other Classes	-	-	-	-	-	-	-	-	-	-	-	-																		
Balances at 31st December 2023	2,564,797	27,836,952	18,667,056	40,175,000	427,501	398,894	529,001	1,206,072	796,685	209,800	406,152	93,371,933																		
Comprising:																														
Cost	2,564,797	6,734,235	18,667,056	16,020,000	427,501	398,894	529,001	1,206,072	796,685	209,800	406,152	32,094,216																		
Revaluation	-	20,974,500	-	-	-	-	-	-	-	-	-	36,994,500																		
Balances at 1st January 2024	2,564,797	27,836,952	18,667,056	40,175,000	427,501	398,894	529,001	1,206,072	796,685	209,800	406,152	93,371,933																		
Additions	-	10,976	98,734	-	-	164,198	36,718	110,961	341,262	110,032	-	889,339																		
Disposals	(2,564,797)	-	-	-	-	-	-	(9,653)	-	-	-	(2,574,450)																		
Increase in revaluation	-	-	-	-	-	-	-	-	-	-	-	-																		
Balances at 31st December 2024	-	27,847,928	18,765,790	40,175,000	427,501	563,092	565,719	1,317,033	1,137,947	319,832	406,152	91,686,822																		
Comprising:																														
Cost	-	6,873,435	18,765,790	6,604	427,501	563,092	565,719	1,317,033	1,137,947	319,832	406,152	30,121,322																		
Revaluation	-	20,974,494	-	40,168,396	-	-	-	-	-	-	-	61,142,890																		
Accumulated depreciation																														
Balances at 1st January 2023	102,338	2,347,088	10,858,326	2,441,221	259,329	151,306	259,371	633,328	277,899	121,005	48,294	17,539,661																		
Depreciation for the year charged to P&L	24,625	453,331	920,724	135,788	1,682	30,949	83,559	68,281	49,322	11,099	3,579	1,784,077																		
Balances at 31st December 2023	126,963	2,800,419	11,779,050	2,577,009	261,011	182,255	342,930	701,609	327,221	132,104	51,873	19,323,738																		
Balances at 1st January 2024	126,963	2,800,419	11,779,050	2,577,009	261,011	182,255	342,930	701,609	327,221	132,104	51,873	19,323,738																		
Depreciation for the year charged to P&L	8,126	1,252,033	868,829	375,980	1,665	36,814	67,789	71,396	63,949	20,027	3,543	2,770,888																		
Disposal	(135,089)	-	-	-	-	-	-	-	-	-	-	(135,089)																		
Balances at 31st December 2024	-	4,052,452	12,647,879	2,952,989	262,676	219,069	410,729	773,005	390,770	152,131	55,415	21,959,537																		
Carrying value																														
Balances at 31st December 2024	-	23,795,476	6,117,911	37,222,011	164,825	344,023	154,980	544,028	747,177	167,701	350,737	69,727,285																		
Balances at 31st December 2023	2,437,834	25,036,533	6,888,006	37,597,991	166,490	216,639	186,071	504,463	469,464	77,696	354,279	74,048,195																		

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

23 Intangible assets

Particulars	Software TZS '000	Total TZS '000
<u>Cost</u>		
Balances at 1st January 2023	29,231	29,231
Additions	-	-
Disposals	-	-
Balances at 31st December 2023	29,231	29,231
Balances at 1st January 2024	29,231	29,231
Additions	-	-
Disposals	-	-
Balances at 31st December 2024	29,231	29,231
<u>Accumulated depreciation</u>		
Balances at 1st January 2023	812	812
Amortisation for the period	9,743	9,743
Balances at 31st December 2023	10,555	10,555
Balances at 1st January 2024	10,555	10,555
Amortisation for the year	6,225	6,225
Balances at 31st December 2024	16,780	16,780
<u>Carrying value</u>		
Balances at 31st December 2024	12,451	12,451
Balances at 31st December 2023	18,676	18,676

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

24 Related Party Disclosure

The Company has following related parties by virtue of common shareholding/directorship which has transactions/balances during the year:

Kamal Gas Ltd
Kamal Mining
Kamal Bagamoyo Energy Ltd
Kamal Refinery Ltd
Avika Hotels & Resort
Kamal Acetylene
Kamal Agro
Kamal Alloys
Kamal Power Ltd
Kamal Seeds & Research
Victoria Residencey Ltd
Trident building material Ltd

Outstanding balance

Financial:

	2024	2023
	TZS '000	TZS '000
Kamal Bagamoyo Energy Ltd (Investment)	-	11,098
Kamal Refinery Ltd (Investment)	2,369,248	2,369,248
Victoria Residencey Building (Investment)	1,254,880	1,254,880
Victoria Residencey Ltd (Due from)	238,481	208,015
Kamal Agro (Due from)	1,783,133	2,069,233
Kamal Acetylene (Due from)	380,317	139,331
Kamal Alloys (Due from)	1,613,956	1,377,240
Avika Hotels & Resort (Due from)	85,753	85,753
Kamal Refinery Ltd (Due from)	5,376,140	2,716,535
Kamal Seeds & Research	-	85,703
Kamal Mining	- 120,585	47,415
Kamal Power	208,015	378,644
Kamal Cape Town Iron and Steel Co.	45,021,409	47,018,800

Interest

Kamal Acetylene	33,135	-
Kamal Agro	308,783	-
Kamal Alloys	146,927	-
Kamal Cape Town Iron and Steel Co.	12,403,503	5,984,493
Kamal Power	55,150	-
Kamal Refinery Ltd	576,837	-
Victoria Residencey Ltd	30,466	-

Trading:

Trade Receivable:

Kamal Gas Ltd	1,059,049	738,534
Victoria Residencey Ltd	8,740	2,592
Kamal Agro	16,759	11,515
Kamal Acetylene	7,926	2,592
Kamal Alloys	19,340	3,330
Kamal Refinery Ltd	74,616	48,957
Kamal Cape Town Iron and Steel Co.	11,913,548	19,579,518
Trident building material Ltd (Due from)	1,980,535	210,788
Trident building material Ltd-Dodoma (Due from)	-	783,767
Kamal Power	2,592	-

Purchase of goods and services (Trading Transaction)

Kamal Gas Ltd	292,838	289,189
Kamal Refinery Ltd	-	11,816
Kamal alloys Ltd	2,400	2,592
Kamal Cape Town Iron and Steel Co.	19,406,527	24,141,413

Sale of goods and services (Trading Transaction)

Kamal Agro Sales	2,400	2,592
Kamal Alloys sales	19,304	2,592
Kamal Acetylene (sales)	4,327	2,592
Kamal Power Ltd sales	2,400	2,592
Kamal Gases Ltd (Sales)	243,929	343,378
Kamal Refinery Ltd sales	18,989	3,983
Trident building material Ltd	2,462,402	2,600,719
Trident building material Ltd-Dodoma	-	1,420,922