



ANNUAL REPORT 2023

KAMAL STEELS LIMITED

P.O. BOX 10392

DAR ES SALAAM

KAMAL STEELS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

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KAMAL STEELS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

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

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

Bank of India (Tanzania) Ltd
CRDB Bank Plc
HDFC Bank
United Bank of Africa (Tanzania) Limited
Bank of Baroda (Tanzania) Limited
NBC Bank Limited
Standard Chartered Tanzania
NMB Bank Plc
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 2023**

The Members,

The Directors have pleasure in submitting their report together with the financial statements for the year ended 31st December, 2023 which discloses the state of affairs of the Company. The financials have been prepared for the year ending on 31st December, 2023.

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

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

2. COMPANY SHAREHOLDING

As at 31st December, 2023 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	284,544
Mr. Sameer Santosh Gupta	297,405
Mr. Satyam S. Gupta	1,000
Total	582,949

3. PRINCIPLE ACTIVITIES

The principal activity of the Company is manufacturing Steel Bars and Angels including rolling, re-rolling of metal scrap and steel mill manufacture.

4. 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.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023**

The Company is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability.

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, 2023 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.

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. 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.

8. 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.

9. 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 2023**

10. 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.

11. 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: Sameer S. Gupta

Dated: 16.07.2024



DIRECTOR

Name: SATYAM S GUPTA

Dated: 16/07/2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2023

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: Sameer S. Gupta

Dated: 16/07/2024



DIRECTOR

Name: SATYAM GUPTA

Dated: 16/07/2024

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

FOR THE YEAR ENDED 31ST DECEMBER 2023

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 RWEHIKIZA, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2023 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-5558

Dated: 16 July 2024

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF
KAMAL STEELS LIMITED****Opinion**

We have audited the standalone financial statements of Kamal Steels Limited, which comprise the Statement of Financial Position as at 31st December, 2023, 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, 2023 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.

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**



**Kailas K. Bhattbhatt
Partner**

Place: Dar es Salaam

Date: 16/07/2024

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

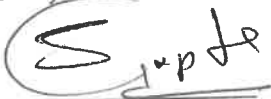
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Standalone)
FOR THE YEAR ENDED 31ST DECEMBER 2023


PARTICULARS	NOTE	2023 TZS '000	2022 TZS '000
Revenue		65,051,075	62,423,002
Cost of sales	4	(51,026,435)	(50,741,243)
Gross profit		14,024,640	11,681,759
Other income	5	5,190,974	2,513,009
		19,215,615	14,194,768
<u>Less: Expenses</u>			
Administrative expenses	6	(5,648,832)	(5,403,765)
Selling and distribution expenses	7	(1,053,275)	(1,909,328)
Financial expenses	8	(9,681,394)	(4,111,092)
		(16,383,501)	(11,424,185)
Profit / (loss) before depreciation		2,832,113	2,770,583
Less: Depreciation		(1,753,053)	(1,858,548)
Profit / (loss) before tax		1,079,060	912,035
Less: Tax expense / credit	9	(426,238)	(338,620)
Profit / (loss) after tax		652,822	573,415

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: Sameer S. Gupta
Dated: 16/07/2024


Director
Name: SATYAM S GUPTA
Dated: 16/07/2024

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


STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2023(Standalone)

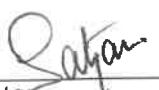
PARTICULARS	NOTE	31st December	31st December
		2023	2022
		TZS '000	TZS '000
Non current assets			
Property, plant & equipment	22	74,048,195	34,234,218
Intangible assets	23	18,676	28,419
Investments	10	2,081,323	2,081,323
Other non-current assets	11	56,075,032	48,093,463
		<u>132,223,226</u>	<u>84,437,423</u>
Current assets			
Inventories	12	10,457,399	13,227,403
Trade and other receivables	13	36,971,296	34,612,731
Cash and cash equivalents	14	953,233	225,426
Current tax	21	-	8,205
		<u>48,381,928</u>	<u>48,073,765</u>
		<u>180,605,154</u>	<u>132,511,188</u>
Total assets			
Equity			
Share capital	15	5,829,490	5,829,490
Revaluation reserve		53,316,268	17,818,653
Retained earnings		3,089,206	2,130,915
Share application money		1,822,129	1,822,129
		<u>64,057,092</u>	<u>27,601,187</u>
Non current liabilities			
Long term liabilities	16	399,494	417,998
Borrowings- Long Term	17	65,104,506	53,756,280
Deferred tax liabilities	9	9,841,459	5,099,894
		<u>75,345,460</u>	<u>59,274,172</u>
Current liabilities			
Trade and other payables	18	6,788,756	19,758,210
Provisions	19	1,352,602	1,097,892
Bank overdraft	20	18,419,601	18,570,176
Borrowings- Short Term	17	14,451,740	6,209,551
Current tax	21	189,903	-
		<u>41,202,602</u>	<u>45,635,829</u>
		<u>180,605,154</u>	<u>132,511,188</u>
Total equity and liabilities			

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: Sameer S. Gupta
 Dated: 16/07/2024


 Director
 Name: SATYAM S. GUPTA
 Dated: 16/07/2024

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

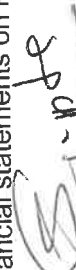
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)


PARTICULARS	Share capital	Revaluation	Retained	Total
	TZS '000	reserve TZS '000	earnings TZS '000	TZS '000
Year ended 31st December 2022				
As at start of the year	5,829,490	17,947,427	1,373,537	25,150,454
Transfer of revaluation depreciation from reserve	-	(183,963)	183,963	-
Deffered tax liability on revaluation	-	55,189	-	55,189
	5,829,490	17,818,653	1,557,500	25,205,643
Net profit / (loss)	-	-	573,415	573,415
At the end of the year	5,829,490	17,818,653	2,130,915	25,779,058
Period 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	-
Deffered tax asset on revaluation depreciation	-	52,429	-	52,429
Prior year adjustments	-	(4,913,550)	130,704	130,704
Deffered tax liability on asset revaluation (Building)	-	53,316,268	2,436,384	(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

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: Sameer S. Gupta
Dated: 16/07/2024


Director
Name: SATYAM GUPTA
Dated: 16/07/2024

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


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)


PARTICULARS	2023 TZS '000	2022 TZS '000
<u>Cash flows from operating activities</u>		
Profit / (loss) before tax	1,079,060	912,035
<u>Adjustment for:</u>		
Depreciation & amortisation	1,793,820	1,893,552
Profit / loss on sale of fixed assets	(3,136)	(122,839)
Provision for impairment made during the year	-	(3,857)
	2,869,745	2,678,891
<u>Movements in working capital:</u>		
(Increase) / decrease in inventories	2,770,004	(2,965,144)
(Increase) / decrease in trade and other receivables	(2,358,565)	(15,126,740)
Increase / (decrease) in trade and other payables	(12,969,454)	3,570,066
Increase / (decrease) in provisions	254,710	290,987
	(9,433,559)	(11,551,940)
Cash generated from operations	(216,983)	(403,411)
Less: Taxes paid	(9,650,541)	(11,955,351)
Net cash generated by operating activities (A)	(9,650,541)	(11,955,351)
<u>Cash flow from investing activities</u>		
Payments for purchase of property, plant and equipment	(1,064,554)	(831,164)
Payments for purchase of intangibles	-	(29,231)
Proceed from disposal of property, plant and equipment	3,136	122,839
	(1,061,419)	(737,556)
Net cash used in investing activities (B)	(1,061,419)	(737,556)
<u>Cash flow from financing activities</u>		
Increase/ (decrease) in Long term Loan	(8,000,073)	(4,991,251)
Proceed from borrowings	19,590,415	11,068,371
	11,590,342	6,077,120
Net cash generated by financing activities (C)	11,590,342	6,077,120
Net increase in cash and cash equivalents (A+B+C)	878,382	(6,615,787)
Cash and cash equivalents at the beginning of the year	(18,344,750)	(11,728,963)
Cash and cash equivalents at the end of the year	(17,466,368)	(18,344,750)

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: Sameer S. Gupta
 Dated: 16/07/2024


 Director
 Name: SATYAM S GUPTA
 Dated: 16/07/2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

1. GENERAL INFORMATION

Kamal Steels Limited is incorporated in Tanzania under the Companies Act, 2002 as a limited liability company and it is domiciled in Tanzania. The principal activities of the Company are disclosed in the Directors' Report. 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, Amendments to the standards and Interpretations effective in the year 2023

The following standards, amendments and new interpretations issued by the IFRIC and are mandatory for the accounting periods beginning on or after 1st January 2023:

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 9: Financial Instruments – Application of amendments with the first application of IFRS 17 (Effective from 1st January 2023)
- IFRS 17: Insurance Contracts (Effective from 1st January 2023)
- Amendments to IFRS 17 and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (Effective from 1st January 2023)
- Amendment to IFRS 17: Insurance Contracts - Amended by Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Effective from 1st January 2023)
- Amendments to IAS 1: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current (Effective from 1st January 2023)
- Amendments to IAS 12: Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Effective for annual periods beginning on or after 1st January 2023)

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

At the date of authorization of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- Amendments to IAS 1: Presentation of Financial Statements - Amended by Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Amended by Supplier Finance Arrangements
- Amendments to IAS 12: Income Taxes - International Tax Reform — Pillar Two Model Rules

**KAMAL STEELS LIMITED, P. O. BOX - 10392, DAR ES SALAAM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

The directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The company plans to apply the changes above from their effective dates.

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, 2023.

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. 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
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. 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.

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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 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.

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

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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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)

PARTICULARS	2023	2022
	TZS '000	TZS '000
4 Cost of sales		
Opening stock of raw materials	8,434,887	8,834,205
Purchases	42,489,594	46,799,824
Less: Closing stock of raw materials & consumables	(9,084,448)	(8,434,887)
Cost of material consumption	41,840,033	47,199,142
Add: Direct costs		
Salaries and wages - direct	522,081	508,598
Insurance - direct	139,045	146,087
Electricity and water expenses - direct	2,859,947	3,647,063
Repairs and maintenance - direct	433,159	973,804
Natural gas, oxygen and LPG cylinder	1,750,481	1,561,530
Safety accessories	32,239	36,439
Depreciation - direct	29,886	33,042
	5,766,837	6,906,563
Add : Opening stock of finished goods	4,792,516	1,428,054
Less: Closing stock of finished goods	(1,372,951)	(4,792,516)
Total	51,026,435	50,741,243
5 Other income		
Interest income	4,393,366	1,785,328
Electricity income	79,766	138,121
Miscellaneous income	212,699	32,016
Transportation charges (Income)	127,807	109,354
Profit on sale of fixed assets	3,136	122,839
Rent received	374,201	325,351
Total	5,190,974	2,513,009

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)

PARTICULARS	2023 TZS '000	2022 TZS '000
6 Administrative expenses		
Amortisation - Admin	10,882	1,962
Audit fees	30,000	30,000
Salaries and wages - Admin	2,462,410	2,294,890
Conveyance charges	7,096	35,313
Director's remuneration and fees	420,000	420,000
Donations	46,860	45,021
Electricity and water expenses - Admin	47,155	39,393
Fines and penalties	-	7,037
Guest house / hotel expenses	28,307	127,801
Guest house rent	197,805	171,184
License fees	93,458	67,774
Legal and professional fees	554,727	139,306
Leave allowance	19,829	19,409
Medical and local expenses	24,791	124,497
NSSF contribution - Admin	338,539	322,507
NHIF contribution - Admin	95,277	87,072
Factory canteen expenses	69,801	100,248
Rent - others	30,705	31,899
Telephone, postage and internet expenses	80,940	56,818
Provision for impairment	41,167	(3,857)
Testing fees	11,636	18,235
SDL cost	128,943	132,824
Printing and stationery expenses	49,994	31,940
Security expenses	4,709	70,823
Stamp duty	188	24
Office expenses	46,994	163,404
Workers' compensation fund	15,009	15,205
Visa and permit expenses	206,376	130,654
Uniform expenses	13,452	12,361
VAT disallowed expenses	-	42,627
Travelling expenses	435,106	480,415
Training and education expenses	72,636	86,287
Newspaper, Periodicals and Subscription charges	35,803	29,298
Incentive expenses	28,236	71,394
Total	5,648,832	5,403,765
7 Selling and distribution expenses		
Advertisement expenses	170,213	190,656
City service levy charges	196,773	189,482
Other selling & distribution expenses	676,692	1,407,828
Sales promotion expenses	9,597	121,362
Total	1,053,275	1,909,328

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)

PARTICULARS	2023 TZS '000	2022 TZS '000		
8 Financial expenses				
Bank charges	423,983	1,078,642		
Bank interest	6,868,507	2,943,276		
Interest on loan from others	250,100	230,900		
Interest on lease liability	8,532	7,186		
Foreign exchange loss / (gain)	1,910,101	(148,912)		
Foreign exchange loss / (gain) - unrealised	220,171	-		
Total	9,681,394	4,111,092		
9 Tax expenses				
Current tax	528,551	284,680		
Deferred tax	(119,556)	53,940		
Prior year taxes	17,243	-		
Total	426,238	338,620		
Reconciliation of tax expenses:				
Net profit as per statement of profit or loss	1,079,060	912,035		
Tax @ 30 %	323,718	273,611		
Adjustment for:				
Effect of disallowances under tax laws	86,218	65,009		
Effect of previous year losses c/f	17,243	-		
Tax expenses as per books	427,179	338,620		
Break-up of deferred tax:				
	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
<u>Deferred tax liabilities</u>				
Property, plant and equipment				
- accelerated capital allowance	3,874,668	(53,504)	-	3,821,164
- revaluation	1,225,226	-	4,861,121	6,086,347
	<u>5,099,894</u>	<u>(53,504)</u>	<u>4,861,121</u>	<u>9,907,511</u>
<u>Deferred tax asset</u>				
Unrealised foreign exchange loss	-	(66,051)	-	(66,051)
	<u>-</u>	<u>(66,051)</u>	<u>-</u>	<u>(66,051)</u>
Net deferred tax liability / (asset)	<u>5,099,894</u>	<u>(119,556)</u>	<u>4,861,121</u>	<u>9,841,459</u>
10 Investments				
Investment in shares			2,390,751	2,390,751
Provision for impairment of investments			(309,428)	(309,428)
			<u>2,081,323</u>	<u>2,081,323</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)

PARTICULARS	2023 TZS '000	2022 TZS '000
11 Other non-current assets		
Due from associate companies and related parties	8,610,740	4,553,071
Other long term advances	47,464,292	43,540,392
	56,075,032	48,093,463
12 Inventories		
Closing stock of raw materials	9,084,448	8,434,887
Closing stock of finished goods	1,372,951	4,792,516
	10,457,399	13,227,403
13 Trade and other receivables		
Advance to employees	35,163	28,264
Advance to suppliers	21,693,139	15,259,714
Other receivables	315,779	-
Deposits and prepayments	56,155	36,208
Short term advances	109,418	5,016,790
Trade debtors	13,308,930	12,337,677
Provision for impairment	(237,688)	(196,521)
Previous years tax receivable	702,050	693,846
VAT receivable	988,349	1,436,753
	36,971,296	34,612,731
Age of Receivables	% provision for impairment	
< 90 Days	1%	8,217,682
91 - 120 Days	2%	-
121 - 365 Days	5%	2,214,962
> 366 Days	10%	447,625
Total Debtors		10,880,269
		237,688
14 Cash and cash equivalents		
Cash in hand - TSH	20,828	33,358
Cash in hand - USD	8,103	16,463
Bank accounts - TSH	522,973	132,222
Bank account - USD	401,328	43,383
	953,233	225,426
15 Share capital		
<u>Authorised capital</u>		
7,00,000 shares of Tzs 10,000/- each	7,000,000	7,000,000
<u>Issued and paid up share capital</u>		
582,949 shares of Tzs 10,000/- each	5,829,490	5,829,490
	5,829,490	5,829,490

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)

PARTICULARS	2023 TZS '000	2022 TZS '000
16 Long term liabilities		
Lease liability	105,099	123,654
Loan from director	22,796	22,744
Other liabilities	271,600	271,600
	<u>399,494</u>	<u>417,998</u>
17 Borrowings		
Non current	<u>2023</u>	<u>2022</u>
Long term loan from banks	<u>TZS '000</u>	<u>TZS '000</u>
<i>Bank Of India</i>	584,454	970,463
<i>HDFC</i>	26,729,438	35,351,875
<i>CRDB</i>	37,790,615	17,433,942
	<u>65,104,506</u>	<u>53,756,280</u>
	65,104,506	53,756,280
Current		
Short term loan from banks	9,031,062	1,210,074
Short term loan from others	5,420,677	4,999,477
	<u>14,451,740</u>	<u>6,209,551</u>
	<u>79,556,246</u>	<u>59,965,831</u>

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. 15786, Land office No. 21782, Plot No. 397, Masasani, Dar es Salaam in the name of Kamal Steels Limited.
- c) 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.
- d) A first ranking debenture over all assets of the Borrower registered to secure TZS 2.75 billion and USD 9,591,000.
- e) Corporate guarantee executed by Kamal Alloys Limited to secure TZS 2.75 billion and USD 9,591,000.
- f) Director's guarantee executed by Sameer Gupta, Gagan Gupta and Satyam Gupta to secure TZS 2.75 billion and USD 9,591,000.
- g) That the Demand Promissory Note(s) in your favour signed/endorsed for TZS/ USD 500,000.00 (US Dollars Five Hundred Thousands) in respect of the mentioned accounts, is to stand and be regarded as a continuing security and be enforceable for all moneys which now are or which may at any time(s) hereafter become due and owing by the undersigned Kamal Steels Limited to the Bank on the said account and on any other account or accounts and whether or not from time to time there be nothing owing in such account or the same may be in credit.
- h) 105% of margin in form of SBLC acceptable to HDFC Bank (The SBLC will be issued for 1 year on renewal basis of 105% of balance outstanding).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023(Standalone)

PARTICULARS	2023 TZS '000	2022 TZS '000
18 Trade and other payables		
Trade creditors	4,291,023	18,153,251
Other expense payable	69,072	496,020
Advance from customers	2,428,661	1,108,939
	<u>6,788,756</u>	<u>19,758,210</u>
19 Provisions		
NSSF payable	71,329	63,702
PAYE payable	49,248	49,257
Provision for electricity expenses	250,591	259,461
Interest payable	225,090	-
Salary and benefits payable	526,322	482,557
Provision for deposits	-	6,864
Withholding tax payable	185,757	189,192
Audit fees payable	30,000	30,888
SDL payable	12,637	14,544
WCF payable	1,629	1,427
	<u>1,352,602</u>	<u>1,097,892</u>
20 Bank overdraft		
Bank overdraft - TSH	5,480,530	5,813,637
Bank overdraft - USD	12,939,071	12,756,539
	<u>18,419,601</u>	<u>18,570,176</u>
Security details:		
Refer above security note.		
21 Current tax		
Balance at the beginning of the year	(8,205)	110,526
Tax paid as per last year final returns	8,205	(105,853)
Provision for tax current year tax	528,551	284,680
Advance tax paid	(250,000)	(100,000)
Withholding tax receivable	(88,648)	(197,558)
	<u>189,903</u>	<u>(8,205)</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023 (Standalone)
22 Property, plant & equipment

Particulars	Leasehold Land - Mahando		Building	Plant and machinery		Leasehold Land Oyesterbay		Trucks	Computer & IT Equipment		Lease Asset	Furniture, fixtures & Office equipment		Motor vehicles Class I		Motor vehicles Class II		Leasehold Land - Kalenga	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		
Cost																			
Balances at 1st January 2022	2,564,797	10,771,683	17,970,510	16,020,000	427,501	398,894	334,958	154,023	1,096,213	588,184	209,800	406,152	50,942,715						
Additions	-	558,552	-	-	-	-	156,289	-	65,768	50,555	-	-	831,164						
Balances at 31st December 2022	2,564,797	11,330,235	17,970,510	16,020,000	427,501	398,894	491,247	154,023	1,161,981	638,739	209,800	406,152	51,773,879						
Comprising:																			
Cost	2,564,797	6,734,235	17,970,510	16,020,000	427,501	398,894	491,247	154,023	1,161,981	638,739	209,800	406,152	31,157,879						
Revaluation	-	4,596,000	-	-	-	-	-	-	-	-	-	-	20,616,000						
Balances at 1st January 2023	2,564,797	11,330,235	17,970,510	16,020,000	427,501	398,894	491,247	154,023	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						
Balances at 31st December 2023	2,564,797	27,836,952	18,667,056	40,175,000	427,501	398,894	529,001	154,023	1,206,072	796,685	209,800	406,152	93,371,933						
Comprising:																			
Cost	2,564,797	6,862,459	18,667,056	6,604	427,501	398,894	529,001	154,023	1,206,072	796,685	209,800	406,152	31,822,891						
Revaluation	-	20,974,494	-	40,168,396	-	-	-	-	-	-	-	-	61,142,890						
Accumulated depreciation																			
Balances at 1st January 2022	77,203	1,878,695	9,842,300	2,306,916	255,242	115,936	184,317	39,006	561,541	232,971	108,320	44,474	15,646,921						
Depreciation for the year charged to P&L	25,135	468,393	1,016,026	134,305	4,087	35,370	75,054	1,150	71,787	44,928	12,685	3,820	1,892,740						
Balances at 31st December 2022	102,338	2,347,088	10,858,326	2,441,221	259,329	151,306	259,371	40,156	633,328	277,899	121,005	48,294	17,539,661						
Balances at 1st January 2023	102,338	2,347,088	10,858,326	2,441,221	259,329	151,306	259,371	40,156	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	1,139	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	41,295	701,609	327,221	132,104	51,873	19,323,738						
Carrying value																			
Balances at 31st December 2023	2,437,834	25,036,533	6,888,006	37,597,991	166,490	216,639	186,071	112,728	504,463	469,464	77,696	354,279	74,048,195						
Balances at 31st December 2022	2,462,459	8,983,147	7,112,184	13,578,779	168,172	247,588	231,876	113,867	528,653	360,840	88,795	357,858	34,234,218						

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER
2023(Standalone)

23 Intangible assets

Particulars	Software TZS '000	Total TZS '000
<u>Cost</u>		
Balances at 1st January 2022	-	-
Additions	29,231	29,231
Disposals	-	-
Balances at 31st December 2022	29,231	29,231
Balances at 1st January 2023	29,231	29,231
Additions	-	-
Disposals	-	-
Balances at 31st December 2023	29,231	29,231
<u>Accumulated depreciation</u>		
Balances at 1st January 2022	-	-
Amortisation for the period	812	812
Disposals	-	-
Balances at 31st December 2022	812	812
Balances at 1st January 2023	812	812
Amortisation for the year	9,743	9,743
Balances at 31st December 2023	10,555	10,555
<u>Carrying value</u>		
Balances at 31st December 2023	18,676	18,676
Balances at 31st December 2022	28,419	28,419

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

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

	2023	2022
	TZS '000	TZS '000
Kamal Gas Ltd (Due to)	738,534	(58,460)
Kamal Bagamoyo Energy Ltd (Investment)	11,098	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)	210,607	196,404
Kamal Agro (Due from)	2,069,233	1,486,904
Kamal Acetylene (Due from)	141,923	6,498
Kamal Alloys (Due from)	1,377,240	150,772
Trident building material Ltd (Due from)	210,788	415,947
Trident building material Ltd-Dodoma (Due from)	783,767	591,645
Avika Hotels & Resort (Due from)	85,753	85,753
Kamal Refinery Ltd (Due from)	2,716,535	641,481
Kamal Seeds & Research	85,703	85,703
Kamal Mining	47,415	5,155

Purchase of goods and services

Kamal Gas Ltd	289,189	275,913
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Sale of goods and services

Kamal Agro Sales	11,515	8,923
Kamal Alloys sales	(3,330)	(3,330)
Kamal Power Ltd sales	378,644	355,935
Kamal Refinery Ltd sales	48,957	56,791
Trident building material Ltd	2,600,719	3,223,207
Trident building material Ltd-Dodoma	1,420,922	1,866,309

25 Contingent liabilities and commitments

There is no contingent liability as of 31st December 2023.

26 Previous year's figure have been regrouped/rearranged wherever necessary to make them comparable with those of current year.

KAMAL STEELS LIMITED
P.O. Box 10392, Dar es Salaam
FOR THE YEAR ENDED 31ST DECEMBER 2023

COMPUTATION OF TAXABLE INCOME

2023
TZS '000

Profit / (loss) as per statement of profit or loss	1,079,060
Add:	
Depreciation and amortisation	1,793,820
Provision for impairment	41,167
Interest on lease liability	8,532
Unrealised forex loss - current year	220,171
Travelling expenses (10%)	43,511
Donation	46,860
	3,233,120
Less:	
Wear and tear allowance	1,294,012
Initial allowance	174,136
Profit on sale of fixed assets	3,136
Taxable income / (loss)	1,761,837
Less: Brought forward of loss	-
Taxable income / (loss) for the year	1,761,837
Tax on income @ 30%	528,551

Wear and tear schedule:

Particulars	Class I	Class II	Class III	Class VI	Class VII	Total
Method of Depreciation	WDV	WDV	WDV	SLM	SLM	
Rate	37.50%	25.00%	12.50%	5.00%	33.33%	
Opening balance at 1st January 2023	234,757	2,881,606	430,490	1,100,413	19,488	4,666,754
Add: Additions qualifying 50%	-	-	-	-	-	-
Add: Additions	195,700	-	44,091	128,217	-	368,008
	430,457	2,881,606	474,581	1,228,630	19,488	5,034,762
Less: Disposal	-	-	-	-	-	-
	430,457	2,881,606	474,581	1,228,630	19,488	5,034,762
Initial allowance	-	174,136	-	-	-	174,136
Less: Wear and tear	161,421	720,402	59,323	343,123	9,744	1,294,012
Closing balance at 31st December 2023	269,035	2,161,205	415,259	885,508	9,744	3,740,751