Tata Chemicals South Africa Proprietary Limited

(Registration number: 1996/004273/07)

Annual financial statements

for the year ended 31 March 2019

Audited

Tata Chemicals South Africa Proprietary Limited
(Reg. No. 1996/004273/07)

Annual financial statements
for the year ended 31 March 2019

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Level of assurance

These financial statements have been audited in compliance with Section 30 of the Companies Act of South Africa (Act No. 71 of 2008).

Prepared by

The financial statements have been internally prepared by Sally Govender (Financial Manager).

Tata Chemicals South Africa Proprietary Limited
(Registration number: 1996/004273/07)

Statement of directors' responsibility for financial reporting

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The company's independent external auditors, KPMG Inc., have audited the financial statements of the company and their unqualified report appears on pages 5 and 6.

The directors are also responsible for the systems of internal control. These controls are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability for assets, to record liabilities and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements of the company are prepared on a going concern basis, since the directors believe that the company has adequate resources in place to continue in operation for the foreseeable future.

Directors' approval of the financial statements

The financial statements of the company as set out on pages 7 to 33, were approved by the Board of Directors on 15 May 2019 and are signed on its behalf by:

Authorised director

Name: Zarir Langrana
Date: 15/05/2019

Authorised director

Name: Roderick Mpofu
Date: 15/05/2019

Tata Chemicals South Africa Proprietary Limited
(Registration number: 1996/004273/07)

Directors' report
for the year ended 31 March 2019

The directors have pleasure in submitting their report, which forms part of the financial statements for the year ended 31 March 2019.

Nature of operations

The company derives its income from the purchase, packaging and resale of sodium carbonate ("soda ash") and related products and the handling and warehousing of sodium sulphate.

Financial results

The company's financial results are fully disclosed in the financial statements accompanying this report.

Holding company

The company's holding company is Tata Chemicals Africa Holdings Limited, a company incorporated in the United Kingdom. The company's ultimate holding company is Tata Chemicals Limited, a company incorporated in India.

Dividends

Dividends declared and paid during the year R20 million (2018 – Rnil).

International Financial Reporting Standards

The company's financial statements were prepared in terms of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and are consistent with those applied in the previous year.

Share capital

There have been no changes to the authorised and issued share capital during the year under review.

Related parties

Related parties consist of all entities where there is a common shareholding or directorship. The directors are considered key entity personnel. Related party transactions and balances have been disclosed in note 19 to the financial statements.

Directors

The directors in office at the end of the year and at the date of this report are:

Z Langrana	(Indian)
R Ladha	(Indian)
Z Schneider	(South African)
R Mpofu	(South African)

Secretary

The company has not appointed a secretary.

Registered office and postal address

140 Johnstone Road
Maydon Wharf
Durban
4001

Going concern

The directors consider that the company has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the company's financial statements.

Subsequent events

The directors are not aware of any matter or circumstance which is material to the financial affairs of the company, which has occurred between the reporting date and date of approval of the financial statements, that has not been otherwise dealt with in the financial statements.

Auditors

KPMG Inc. was appointed as auditors of the company for 2019.

At the annual general meeting, the shareholders will be requested to reappoint KPMG Inc. as the independent external auditors of the company and to confirm Marileen De Wet as the designated lead audit partner for the 2020 financial year.

KPMG Inc.
6 Nokwe Avenue, Umhlanga Ridge,
Durban, 4320
PO Box 1496, Durban, 4000, South Africa

Telephone +27 (0)31 327 6000
Fax +27 (0)31 337 1157
Docex 246 Durban
Internet kpmg.co.za

Independent Auditor's Report

To the shareholder of Tata Chemicals South Africa Proprietary Limited

Opinion

We have audited the financial statements of Tata Chemicals South Africa Proprietary Limited (the company) set out on pages 7 to 33, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tata Chemicals South Africa Proprietary Limited as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

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 Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). 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 Directors' Report as required by the Companies Act of South Africa and the statement of directors' responsibility for financial reporting. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, 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.

KPMG

Auditor's responsibilities for the audit of the 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 scepticism 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 disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.

KPMG Inc.

Per Marileen De Wet
Chartered Accountant (SA)
Registered Auditor
Director

16 May 2019

Tata Chemicals South Africa Proprietary Limited

Statement of financial position
at 31 March 2019

	Notes	2019 ZAR	2018 ZAR
Assets			
Non-current assets			
Property, plant and equipment	6	**283 463**	435 381
Intangible asset	7	**483 600**	510 600
Deferred taxation	13	**85 400**	57 470
		852 463	1 003 451
Current assets			
Inventories	10	**60 198 318**	74 968 340
Taxation receivable	11	–	2 392 043
Trade and other receivables	9	**59 475 231**	77 861 280
Cash and cash equivalents	8	**53 934 080**	29 616 824
		173 607 629	184 838 487
Total assets		**174 460 092**	185 841 938
Equity and liabilities			
Equity			
Share capital	12	**600**	600
Share premium	12	**1 699 500**	1 699 500
Retained earnings		**84 424 846**	86 959 972
		86 124 946	88 660 072
Current liabilities			
Trade and other payables	14	**87 477 827**	97 181 866
Taxation payable	11	**857 319**	–
		88 335 146	97 181 866
Total equity and liabilities		**174 460 092**	185 841 938

Tata Chemicals South Africa Proprietary Limited

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2019

	Notes	**2019 ZAR**	2018 ZAR
Revenue	*2*	**305 389 991**	418 500 429
Cost of sales		**(270 397 447)**	(370 297 018)
Gross profit		**34 992 544**	48 203 411
Other income		**179 657**	73 080
Operating expenses		**(13 536 663)**	(17 132 709)
Profit before interest and taxation	*3*	**21 635 538**	31 143 782
Finance income	*4*	**2 643 949**	1 539 317
Profit before taxation		**24 279 487**	32 683 099
Taxation	*5*	**(6 814 613)**	(9 154 861)
Net profit for the year		**17 464 874**	23 528 238
Other comprehensive income for the year		–	–
Total comprehensive income for the year		**17 464 874**	23 528 238
Attributable to: Tata Chemicals Africa Holdings Limited		**17 464 874**	23 528 238

Tata Chemicals South Africa Proprietary Limited

Statement of changes in equity
for the year ended 31 March 2019

	Share capital ZAR	Share premium ZAR	Retained earnings ZAR	Total ZAR
Balance at 31 March 2017	600	1 699 500	64 431 734	65 131 834
Total comprehensive income for the year	–	–	23 528 238	23 528 238
Balance at 31 March 2018	600	1 699 500	86 959 972	88 660 072
Dividend paid (R 33 333 per share)	–	–	**(20 000 000)**	**(20 000 000)**
Total comprehensive income for the year	–	–	**17 464 874**	**17 464 874**
Balance at 31 March 2019	**600**	**1 699 500**	**84 424 846**	**86 124 946**

Tata Chemicals South Africa Proprietary Limited

Statement of cash flows
for the year ended 31 March 2019

	Notes	**2019 ZAR**	2018 ZAR
Cash flows from operating activities			
Cash generated from operations	*15*	**45 278 437**	20 493 909
Finance income received		**2 643 949**	1 539 317
Taxation paid	*16*	**(3 593 181)**	(11 891 542)
Net cash inflow from operating activities		**44 329 205**	10 141 684
Cash flows from investing activities			
Additions to plant and equipment		**(11 949)**	(8 771)
Net cash outflow from investing activities		**(11 949)**	(8 771)
Cash flows from financing activities			
Dividend paid		**(20 000 000)**	–
Net cash outflow from financing activities		**(20 000 000)**	–
Net increase in cash and cash equivalents		**24 317 256**	10 132 913
Cash and cash equivalents at beginning of year		**29 616 824**	19 483 911
Cash and cash equivalents at end of year	8	**53 934 080**	29 616 824

Tata Chemicals South Africa Proprietary Limited

Notes to the financial statements

for the year ended 31 March 2019

1. Significant accounting policies

1.1 Reporting entity

Tata Chemicals South Africa Proprietary Limited ("The Company") is domiciled in South Africa. The company's registered office is at 140 Johnstone road, Maydon Wharf, Durban. The company is primarily involved in the importation and distribution of Sodium Carbonate ("Soda Ash").

1.2 Basis of preparation and changes in accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Unless otherwise indicated, the financial statements are prepared on the historical cost basis, and incorporate the following significant accounting policies which are consistent with those adopted in the previous year, except for the accounting policies adopted in line with IFRS 9 and IFRS 15 which have become effective as at 1 January 2018.

This is the first set of the annual financial statements in which IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have been applied. Changes to significant accounting policies are described below.

All monetary information and figures presented in these financial statements are stated in South African Rands (ZAR) which is the Company's functional currency.

Effective for annual periods beginning on or after 1 January 2018

- IFRS 15 – Revenue from Contracts with Customers: Revenue recognition with respect to revenue arising from contracts with customers.
- IFRS 9 – Financial Instruments.
- IFRIC 22 – Foreign Currency Transactions and Advance considerations.

Effective for annual periods beginning on or after 1 January 2019

IFRS 16 – Published in January 2016, sets out the principles for the recognition, measurement and disclosure of leases for both parties to a contract i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces the previous leases Standard IAS 17 Leases, and related interpretations. IFRS 16 includes a single model for lessees which in almost all leases being included in the Statement of Financial Position. No significant changes have been included for lessors. IFRS 16 also includes extensive new disclosure requirements for both lessees and lessors. The company have begun assessing the potential impact of IFRS 16 on the financial statements and anticipate that this amendment will not have a material impact on the company's financial statements. The company expects the amendment to be R 47 047, which is determined by discounting the future minimum lease payments by the incremental borrowing rate of 8%.

1. Significant accounting policies *(continued)*

1.3 Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in Rands, which is the functional currency of the company.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial year end, monetary items denominated in foreign currencies are restated at the rates prevailing on the financial year end. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences arising on the settlement of monetary items, and on restatements of monetary items are included in the statement of profit or loss and other comprehensive income.

In order to hedge its exposure to certain foreign exchange risks, the company enters into forward exchange contracts.

1.4 Revenue from contracts with customers

The Company adopted IFRS 15 Revenue from Contracts with Customers on its effective date, 1 January 2018. Under IFRS 15, Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or when it meets the performance obligation associated with the service to a customer.

In the comparative period, revenue was measured under IAS 18 Revenue at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

The Company has chosen the cumulative effect method as the preferred transition method. The effect of the above transition has been assessed as immaterial, and as such information presented in 2018 has not been restated.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes value added tax collected from customers on behalf of the government.

Revenue is derived from the sale of Sodium Carbonate. Other sources of revenue include handling and storage of similar products and terminal and venture cargo services provided. The transfer of control of the products usually occurs when the Soda Ash is delivered to the customer's warehouse or loaded onto the customer's transport at a point in time. The transfer of control over terminal and venture cargo services occurs at a point in time when the services are rendered.

1. Significant accounting policies *(continued)*

1.5 Finance income and finance cost

Finance income comprises interest income. Interest income is recognised in profit and loss on accrual basis using the effective interest rate method.

Finance costs comprise interest expense on borrowings and unwinding of discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest rate method.

1.6 Income tax

Income tax expenses comprises of current and deferred tax and is recognised in profit and loss.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will become available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse , using tax rates enacted or substantively enacted at the reporting date.

1.7 Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of inventories are based on the weighted average principle, which comprises of all cost of purchase and other cost incurred in bringing the inventories to their present condition and location for sale.

When inventories are sold, the carrying amount of the inventories are recognised in profit or loss in the period in which the related revenue is recognised. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write-downs or losses are recognised in cost of sales in the period in which the write down, loss or reversal occurs.

1. Significant accounting policies *(continued)*

1.7 Inventories *(continued)*

1.7.1 Cost of sales

When inventories are sold, the carrying amount of the inventories are recognised in profit or loss in the period in which the related revenue is recognised. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write-downs or losses are recognised in cost of sales in the period in which the write down, loss or reversal occurs.

Cost of sales comprises the cost of packaging materials for Soda Ash, transportation costs, as well as purchase price variances related to landing costs. The Company also includes the cost of providing terminal services such as packaging materials for the customers goods before the customer collects the goods purchased.

The Company classifies exchange differences on Foreign Exchange Contracts arising from the purchase of inventories as part of cost of sales.

1.8 Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalised borrowing cost, less accumulated depreciation and any accumulated impairment losses. If significant items of Property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation is calculated to write off the cost of the items of Property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit and loss.

The estimated useful lives of Property, Plant and equipment for current and comparative periods are as follows:

Plant and equipment	3 – 5 years
Leasehold improvements	3 – 5 years
Furniture and fittings	3 – 10 years
Motor vehicles	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1. Significant accounting policies *(continued)*

1.9 Intangible assets

Recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets acquired separately are initially recognised at cost.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation and impairment

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. If an intangible asset is assessed as having an indefinite useful life, it is not amortised but tested for impairment annually and impaired, if necessary. If assessed as having a finite useful life, it is amortised over its useful life using the straight-line basis, and tested for impairment if there is an indication that it may be impaired.

Lease Premium is being amortized till the termination of the lease which is 31 October 2037.

1.10 Impairment

Financial asset

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model.
The Company recognises loss allowances for expected credit losses (ECL's) on financial assets measured at amortised cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to 12-month ECLs as there has been no significant increase in credit risk over the debtors' book.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the historical experience and informed credit assessment.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

1. Significant accounting policies *(continued)*

1.10 Impairment *(continued)*

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in it's entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of the recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

1.11 Financial instruments

The Company adopted IFRS 9 Financial Instruments on its effective date, 1 January 2018. The change in standard has not impacted TATA Chemicals South Africa Proprietary Limited significantly.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and related party trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial instrument is recognised if the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

1. Significant accounting policies *(continued)*

1.11 Financial instruments *(continued)*

Non-derivative financial instruments *(continued)*

Trade Receivables, Trade Payables and Related Party Balances

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified as amortised cost.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Trade and other payables are classified as financial liabilities and measured at amortised costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances in a current account and call account, which are unrestricted for withdrawal and usage.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financial and investment activities. The Company does not hold or issue derivative financial instruments for trading purposes. However these derivatives are accounted for as trading instruments as hedge accounting is not applied.

Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in profit and loss when incurred. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss

De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

1. Significant accounting policies *(continued)*

1.12 Provisions

Provisions are recognised when the company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Provisions are measured at the expenditure required to settle the obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted. Guarantees and securities provided by the company are recognised at fair value in accordance with IFRS 9 and disclosed in accordance with IFRS 7.

1.13 Employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the reporting period in which the service is rendered, such as sick leave, bonuses, and non-monetary benefits such as medical care), are expensed as the related service is provided.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.14 Leases

Finance leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the company are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and are depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases are included as a liability on the statement of financial position. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period.

Operating lease

Leases where the lessor retains the risks and rewards of the underlying asset are classified as operating leases. Payments made under operating leases are charged against income on a straight line basis over the period of the lease.

1. Significant accounting policies *(continued)*

1.15 Events after the reporting period

Recognised amounts in the financial statements are adjusted to reflect events arising after the reporting date that provide additional evidence of conditions that existed at the reporting date. Events after the reporting date that are indicative of conditions that arose after the reporting date are dealt with by way of a note.

1.16 Key sources of estimation uncertainty

There are no assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.17 Related parties

A party is related to the Company if any of the following are met:

Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the Company.

- The related party is a director of the Company
- The party is a member of key management personnel of the entity or its parent
- The party is a close family member of the director or individual referred to the above.

Close family member of the director or an individual includes:
- The individual's domestic partner and children
- Children of the individual's domestic partner and
- Dependents of the individual or the individual's domestic partner.

The purchases from related parties are made on terms negotiated between the parties involved. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Transactions with related parties include purchases of Soda Ash from Tata Chemicals North America Inc. and Tata Chemicals Magadi Limited as well as goods-in-transit at the end of the year.

Tata Chemicals South Africa Proprietary Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

1. Significant accounting policies *(continued)*

1.18 Changes in significant accounting policies

IFRS 9 Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement.*

IFRS 9 contains three principle classification categories for financial assets: measured at amortised cost, Fair value through other comprehensive income (FVOCI) and Fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's policies related to financial liabilities.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 01 April 2018. There is no impact of adopting IFRS 9 on the opening balance of reserves and accumulated income.

Financial assets	**Original classification under IAS 39**	**New Classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Trade and other receivables	Loans and receivables	Amortised cost	**77 861 280**	**77 861 280**
Cash and cash equivalents	Loans and receivables	Amortised cost	**29 616 824**	**29 616 824**
Total financial assets			**107 478 104**	**107 478 104**
Financial liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	**97 181 866**	**97 181 866**
Total financial liabilities			**97 181 866**	**97 181 866**

1.18.1 Transition

The Company has used the exemption not to restate comparative information for prior periods with respect to the classification and measurement (including impairment requirements.

The assessment of the determination of the business model within which a financial asset is held was made on the basis of the facts and circumstances that existed at the date of initial application.

2. Revenue

Revenue comprises the net invoiced value of the sales of soda ash and related products, and terminal and venture cargo services provided.

	2019 ZAR	2018 ZAR
Sale of goods	**292 563 905**	412 675 349
Services provided	**12 826 086**	5 825 080
	305 389 991	418 500 429

Revenue performance obligations are met at a point in time when Soda Ash is delivered to the customer location. Control is transferred when the customer takes ownership of the Soda Ash. Revenue for services provided is recognised at a point in time when the performance obligation is met.

Depending on the customer profile, sales contracts are entered into on a variety of payments terms from cash against documents, 30 days, 60 days, 90 days.

The nature of goods invoiced are primarily Soda Ash. Transport and storage costs are also invoiced depending on terms of the sales contract.

Due to the nature of the bulk supply goods and quality controls in place, there is minimal obligation for returns of inventory.

There are no significant judgements required in the application of IFRS 15 due to the nature of the goods being sold.

The Company has applied the practical expedient provided in IFRS 15 whereby the new Standard has been applied to the Company's portfolio of contracts rather than to each individual contract. It is reasonably expected that the effects on the financial statements of applying the portfolio approach will not differ materially from applying IFRS 15 to each individual contract.

3. Profit before interest and taxation

Profit before interest and taxation is arrived at after taking the following into account:

	2019 ZAR	2018 ZAR
Auditors remuneration		
– audit fees	**372 859**	342 200
Amortisation of lease premium	**27 000**	27 000
Depreciation	**163 867**	347 812
Net foreign exchange loss(gain)	**1 436 728**	(157 193)
Operating lease rentals	**1 046 083**	959 952
Staff costs	**3 871 893**	3 115 665
Number of employees	**15**	15

	2019 ZAR	2018 ZAR
4. Finance income		
Finance income		
Interest received – bank	**2 643 949**	1 539 317
	2 643 949	1 539 317

	2019 ZAR	2018 ZAR
5. Taxation		
South African normal taxation		
Current tax	**6 842 543**	9 176 146
Deferred tax	**(27 930)**	(21 285)
	6 814 613	9 154 861
	%	%
Reconciliation of taxation rate		
Standard taxation rate	**28.00**	28.00
Permanent differences	**0.07**	0.01
Effective taxation rate	**28.07**	28.01

6. Property, plant and equipment

	Cost ZAR	Accumulated depreciation ZAR	Carrying value ZAR
2019			
Plant and equipment	**1 430 798**	**(1 377 321)**	**53 477**
Leasehold improvements	**438 500**	**(284 275)**	**154 225**
Furniture and fittings	**337 638**	**(312 279)**	**25 359**
Motor vehicles	**84 004**	**(33 602)**	**50 402**
	2 290 940	**(2 007 477)**	**283 463**
2018			
Plant and equipment	4 519 223	(4 389 790)	129 433
Leasehold improvements	801 835	(611 141)	190 694
Furniture and fittings	587 736	(539 685)	48 051
Motor vehicles	84 004	(16 801)	67 203
	5 992 798	(5 557 417)	435 381

Assets no longer in use with cost and accumulated depreciation of R3 713 808 were scrapped during the year.

6. Property, plant and equipment *(continued)*

Reconciliation of property, plant and equipment

	Opening balance ZAR	Additions ZAR	Depreciation ZAR	Closing balance ZAR
2019				
Plant and equipment	**129 433**	–	**(75 956)**	**53 477**
Leasehold improvements	**190 694**	–	**(36 469)**	**154 225**
Furniture and fittings	**48 051**	**11 949**	**(34 641)**	**25 359**
Motor vehicles	**67 203**	–	**(16 801)**	**50 402**
	435 381	**11 949**	**(163 867)**	**283 463**
2018				
Plant and equipment	379 285	–	(249 852)	129 433
Leasehold improvements	234 083	–	(43 389)	190 694
Furniture and fittings	77 050	8 771	(37 770)	48 051
Motor vehicles	84 004	–	(16 801)	67 203
	774 422	8 771	(347 812)	435 381

7. Intangible assets

	2019 ZAR	2018 ZAR
Cost	**1 078 400**	1 078 400
Accumulated amortisation	**(594 800)**	(567 800)
Carrying value	**483 600**	510 600

Reconciliation of the carrying amount

	2019 ZAR	2018 ZAR
Carrying amount at beginning of year	**510 600**	537 600
Amortisation charge	**(27 000)**	(27 000)
Carrying amount at end of year	**483 600**	510 600

The intangible asset relates to a lease premium over the land, on which the building and warehouse is situated, from which the company operates. This premium is considered to have a finite useful life and is amortised over the lease period on a straight line basis.

Intangible assets are assessed for impairment annually. Based on the impairment assessment for the current year the directors are of the opinion that the intangible asset is not impaired and thus no impairment has been recognised in the current financial year.

	2019 ZAR	2018 ZAR
8. Cash and cash equivalents		
Bank balance		
– Current account	**26 216 912**	10 029 458
– Call account	**27 717 168**	19 587 366
	53 934 080	29 616 824
9. Trade and other receivables		
Trade receivables	**57 817 785**	76 859 120
Provision for bad debt	**(46 480)**	–
Other receivables – prepaid expenses	**1 703 926**	1 002 160
	59 475 231	77 861 280
Trade receivables can be broken down as follows:		
External parties	**57 771 305**	76 859 120

The company has assessed all past due receivable balances for recoverability and believe that their credit quality remains intact. An ageing of past due receivables is provided below:

	0 – 30 days ZAR	Between 31 – 120 days ZAR	Between 121 – 360 days ZAR	Total ZAR
2019				
Past due receivables	**1 548 958**	**1 489 292**	**541 000**	**3 579 250**
Provision for doubtful debts	**8 198**	**23 240**	**15 042**	**46 480**
	1 557 156	**1 512 532**	**556 042**	**3 625 730**
2018				
Past due receivables	1 816 885	12 890 322	279 685	14 986 892
Provision for doubtful debts	–	–	–	–
	1 816 885	12 890 322	279 685	14 986 892

		2019 ZAR	2018 ZAR
10.	**Inventories**		
	Finished goods	**25 216 268**	6 163 551
	Packaging materials	**311 477**	618 208
	Goods-in-transit	**34 670 573**	68 186 581
		60 198 318	74 968 340
11.	**Taxation (payable)/receivable**		
	Opening balance	**2 392 043**	(323 353)
	Statement of profit and loss & other comprehensive income – current taxation	**(6 842 543)**	(9 176 146)
	Taxation paid	**6 713 296**	11 891 542
	Taxation refund	**(3 120 115)**	–
	Balance at end of year	**(857 319)**	2 392 043
12.	**Share capital**		
	Authorised		
	1 000 ordinary shares of R1 each	**1 000**	1 000
	Issued		
	600 ordinary shares of R1 each	**600**	600
	Share premium	**1 699 500**	1 699 500
13.	**Deferred taxation**		
	Opening balance	**57 470**	36 185
	Current year movement	**27 930**	21 285
	Deferred tax asset at the end of the year	**85 400**	57 470
	Deferred taxation balance is comprised as follows:		
	Lease charge	**50 003**	39 791
	Section 24I (10)	**(89 144)**	(84 626)
	Prepayments	**(57 829)**	(51 460)
	Provision for bonus	**103 292**	93 800
	Provision for leave pay	**55 171**	54 219
	Income received in advance	**14 146**	5 746
	Doubtful debts	**9 761**	–
	Deferred tax asset at the end of the year	**85 400**	57 470

A deferred tax asset has been raised against temporary differences and it is expected that the company will make taxable profits against which to offset the deferred tax asset.

	2019 ZAR	2018 ZAR
14. Trade and other payables		
Intercompany trade payables	**82 926 976**	89 407 735
Other trade payables	**2 109 818**	6 373 123
Other payables and accrued expenses	**2 193 474**	1 186 847
Leave pay accrual	**197 039**	193 641
Deferred income	**50 520**	20 520
	87 477 827	97 181 866

The company estimates that the carrying values are not materially different to the fair values of the trade and other payables above.

15. Cash generated from operations

	2019 ZAR	2018 ZAR
Net profit before taxation	**24 279 487**	32 683 099
Adjustments for:		
Finance income	**(2 643 949)**	(1 539 317)
Amortisation of lease premium	**27 000**	27 000
Depreciation	**163 867**	347 812
Operating profit before working capital changes	**21 826 405**	31 518 594
Decrease/(increase) in inventories	**14 770 022**	(9 707 479)
Decrease in trade and other receivables	**18 386 049**	11 098 088
Decrease in trade and other payables	**(9 704 039)**	(12 415 294)
	45 278 437	20 493 909

16. Taxation paid

	2019 ZAR	2018 ZAR
Balance at beginning of year	**2 392 043**	(323 353)
Current period charge (excluding deferred taxation)	**(6 842 543)**	(9 176 146)
Balance at end of year	**857 319**	(2 392 043)
	(3 593 181)	(11 891 542)

17. Operating lease commitments

	2019 ZAR	2018 ZAR
Due within one year	**1 119 688**	1 036 748
Due within two or five years	–	1 119 688
	1 119 688	2 156 436

The lease contract is for the rental of the building and warehouse at the port of Durban for a period of three years with an escalation of 8% per annum. The lease termination date is 30 March 2020.

18. Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge foreign currency risk exposures.

Risk management is carried out by management under policies approved by the directors. The directors provide principles for overall risk management, as well as policies covering specific areas, such, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

18.1 Credit risk

Credit risk is the risk that a contractual counterparty will default on its contractual obligations to the company and that the company would suffer financial loss as a consequence of such a default. The company's credit risk is mainly confined to the risk of customers defaulting on sales invoices raised. Any credit risk arising from cash deposits and derivative financial instruments is deemed insignificant on the basis that all relevant counterparties are investment grade entities.

Credit risk consists mainly of short-term cash deposits and trade debtors. The company only deposits short-term cash with major banks with strong credit ratings. Trade debtors comprise a widespread customer base, and ongoing credit evaluations of the financial condition of customers are regularly undertaken. At 31 March 2019 the company does not consider there to be any material credit risk that has not been adequately provided.

Full disclosure of the company's maximum exposure to credit risk is as follows:

	2019 ZAR	2018 ZAR
Exposure to credit risk		
Cash and cash equivalents	**53 934 080**	29 616 824
Trade and other receivables	**59 475 231**	77 861 280
Total credit risk exposure	**113 409 311**	107 478 104

18.2 Liquidity risk

The company manages its liquidity risk by regularly monitoring its projected cash flow requirements against its cash resources and unutilised borrowing facilities. Surplus cash resources are only invested with large institutions with strong credit ratings. Forecast liquidity represents the company's expected cash inflows, principally generated from the ordinary course of the business, less the company's contractually determined cash outflows, and principally related to the repayment of borrowings. The materiality of these cash inflows and outflows rests in the expected ageing profiles of the underlying assets and liabilities. The maturity profile is presented below.

18. Financial risk management *(continued)*

18.2 Liquidity risk *(continued)*

The company maturity analysis is as follows:

2019	**< 1 year ZAR**	**Total ZAR**
Trade and other payables	**85 036 794**	**85 036 794**
2018		
Trade and other payables	95 780 858	95 780 858

18.3 Cash flow and interest rate risk

The company has significant interest-bearing assets. The company's income and operating cash flows are substantially independent of changes in market interest rates.

The company's interest rate risk arises from bank investments. Bank investments issued at variable rates expose the company to cash flow interest rate risk. Bank investments issued at fixed rates expose the company to fair value interest rate risk. Debt levels are constantly monitored and kept to a viable minimum to reduce the exposure to high interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for both financial instruments at the reporting date. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/(lower) and all other variables were held constant, the company's profit before taxation for the year ended 31 March 2019 would increase/(decrease) by R539 340 (2018 – R296 168). This is attributable to the company's exposure to interest rates on its bank investments.

18.4 Currency risk

Currency risk is the risk that the value of the financial instrument will fluctuate owing to changes in foreign exchange rates.

The company is exposed to foreign currency risk on purchases that are denominated in a currency other than the functional currency of the company i.e. South African Rand. The currencies giving rise to this risk is primarily U.S. Dollars (USD).

Exposure to currency risk

	2019 ZAR	2018 ZAR	**2019 USD**	2018 USD
Trade payables	**(82 926 976)**	(89 407 735)	**(5 718 628)**	(7 523 774)
Net exposure	**(82 926 976)**	(89 407 735)	**(5 718 628)**	(7 523 774)

	Average rate		**Spot rate**	
	2019	2018	**2019**	2018
USD	**13.7639**	12.9977	**14.5012**	11.8819

18. Financial risk management *(continued)*

18.4 Currency risk *(continued)*

Sensitivity analysis

A 10 percent strengthening of the Rand against the US Dollar at 31 March 2019 would have increased profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2019	2018
	ZAR	ZAR
10% strengthening/weakening of US Dollar	**8 292 698**	8 940 774

A 10 percent weakening of the Rand against the US dollar at 31 March 2019 would have had the equal but opposite effect on the dollar exchange rate to the amounts shown above, on the basis that all other variables remain constant.

18.5 Capital management

The company reviews their total capital employed on a regular basis and makes use of several indicative ratios which are appropriate to the nature of the company's operations and consistent with conventional industry measures. The principal ratios used in this review process are:

- gearing, defined as net debt divided by total capital employed; and
- return on capital employed, defined as underlying operating profit before taxation divided by average capital employed.

18.6 Financial assets

The carrying amounts and fair values of financial assets are as follows:

	2019		2018	
	Estimated fair value ZAR	**Carrying amount ZAR**	Estimated fair value ZAR	Carrying amount ZAR
Cash and cash equivalents	**53 934 080**	**53 934 080**	29 616 824	29 616 824
Trade and other receivables	**59 475 231**	**59 475 231**	77 861 280	77 861 280
Total financial assets	**113 409 311**	**113 409 311**	107 478 104	107 478 104

The fair values of trade and other receivables and cash and cash equivalents are not materially different to the carrying values presented.

Tata Chemicals South Africa Proprietary Limited

Notes to the financial statements *(continued)*
for the year ended 31 March 2019

19. Related party transactions

Identity of related parties

The following companies listed below that we trade with are classified as related parties by virtue of their relationship to Tata Chemicals Limited, the ultimate holding company of Tata Chemicals South Africa Proprietary Limited:

Tata Chemicals Limited and its subsidiaries

Rallis India Limited (Rallis), India
Ncourage Social Enterprise Foundation
Bio Energy Venture -1 (Mauritius) Pvt. Limited, Mauritius

Indirect holding through Tata Chemicals Limited

Homefield Pvt. UK Limited, UK
Tata Chemicals Africa Holding Limited, UK
Tata Chemicals Magadi Limited, UK
Magadi Railway Company Limited, Kenya
TCE Group Limited
Natrium Holding Limited
Cheshire Salt Holdings Limited, UK
Cheshire Salt Limited, UK
British Salt Limited, UK
Brinefield Storage Limited, UK
Cheshire Cavity Storage 2 Limited, UK
Cheshire Compressor Limited, UK
Irish Feeds Limited, UK
New Cheshire Salt Works Limited, UK
Brunner Mond Group Limited, UK
Tata Chemicals Europe Limited, UK
Winnington CHP Limited, UK
Northwich Resource Management Limited, UK
Gusiute Holdings (UK) Limited, UK
Valley Holdings Inc., USA
Tata Chemicals North America Inc., USA
TCNA (UK) Limited
General Chemicals International Inc., USA
NHO Canada Holdings Inc., USA
TCSAP Holdings, USA
TCSAP LLC, USA
Tata Chemicals (Soda Ash) partners (TCSAP), USA
Tata Chemicals International Pte. Limited, Singapore
Rallis Chemistry Exports Limited, India
Metahelix Life Sciences Limited. (Metahelix), India
PT Metahelix Lifesciences Indonesia (PTLI)
Zero Waste Agro Organics Limited (ZWAOL), India
Alcad

Direct Joint Ventures with Tata Chemicals Limited

Indo Maroc Phosphore S.A., Morocco

19. Related party transactions *(continued)*

Identity of related parties (continued)

Indirect Joint Ventures with Tata Chemicals Limited

JOil (S) Pte. Limited, Singapore
The Block Salt Company Limited, UK
Tata Industries Limited
Natronx Technologies LLC, USA

The directors are listed in the note 21 Directors' emoluments.

Material related party transactions/balances

The following transactions were effected with and entered into between the defined related parties during the period under review:

	2019 ZAR	Restated 2018 ZAR
Purchases		
– Tata Chemicals North America Inc.	**171 281 485**	262 995 472
Purchases (goods received)	**140 098 087**	196 721 237
Goods-in-transit	**31 183 398**	66 274 235
– Tata Chemicals Magadi Limited	**18 427 161**	47 223 353
Purchases (goods received)	**14 939 986**	45 311 008
Goods-in-transit	**3 487 175**	1 912 345

The company has the following related party trade payable balances owing by the company as at 31 March 2019:

Tata Chemicals North America Inc.	**(79 341 924)**	(81 962 689)
Tata Chemicals Magadi Limited	**(3 585 051)**	(7 434 046)

The 2018 amounts were restated. Please refer to note 24.

The payment terms are 90 days from the bill of lading. The trade payable balance is unsecured and interest free and settlement occurs in cash.

20. Facilities and guarantees

The following facilities and securities have been lodged with First National Bank Limited:

R10 million unutilised overdraft facility on which interest would be payable at the prevailing prime rate.

R20 million cession of debts by Tata Chemicals South Africa Proprietary Limited dated 18 October 1996.

Guarantees given were as follows:

- R48 988 in favour of Ethekwini Municipality expiring on 31 December 2025
- R200 000 in favour of South African Revenue Services expiring on 31 December 2025.

21. Directors' emoluments

	Emolument ZAR	Other ZAR	Pension ZAR	Total ZAR
2019				
Z Langrana	–	–	–	–
R Lodha	–	–	–	–
Z Schneider	–	–	–	–
R Mpofu	–	**1 106 197**	–	**1 106 197**
	–	**1 106 197**	–	**1 106 197**
2018				
Z Langrana	–	–	–	–
R Lodha	–	–	–	–
Z Schneider	–	–	–	–
R Mpofu	–	1 035 571	–	1 035 571
		1 035 571		1 035 571

22. Going concern

The directors consider that the company has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the company's financial statements.

23. Subsequent events

The directors are not aware of any matter or circumstance which is material to the financial affairs of the company, which has occurred between the reporting date and date of approval of the financial statements, that has not been otherwise dealt with in the financial statements.

24. Incorrect disclosure of related party purchases in the prior period

During 2019, management became aware of the incorrect disclosure followed relating to the related party purchases as disclosed in note 19 of the financial statements. The inventory purchased from related parties Tata Chemicals North America Inc. and Tata Chemicals Magadi Limited is shipped Free on Board from the supplier's port. The goods in transit purchased at the end of the 2017 financial year end was erroneously included as purchases made for the 2018 financial year end, while the goods in transit at the end of the 2018 financial year end was erroneously excluded from 2018 purchases. As a consequence, the related party purchases disclosure in the prior year is incorrect. The error has been corrected by restating the prior period related party purchases disclosed in note 19 Related party transactions. The restatement does not have an impact on the statement of financial position or the statement of profit or loss and other comprehensive income.

Notes to the financial statements	**Impact of the correction of the prior period error**		
	As previously reported ZAR	**Adjustments** ZAR	**As restated** ZAR
Tata Chemicals North America Inc.			
Purchases	212 209 728	50 785 744	262 995 472
– purchases (goods received)	212 209 728	(15 488 491)	196 721 237
– goods-in-transit at 31 March 2018	–	66 274 235	66 274 235
Tata Chemicals Magadi Limited			
Purchases	47 512 567	(289 214)	47 223 353
– purchases (goods received)	47 512 567	(2 201 559)	45 311 008
– goods-in-transit at 31 March 2018	–	1 912 345	1 912 345