



# **Tata Chemicals South Africa Proprietary Limited**

(Registration number: 1996/004273/07)

Annual financial statements

for the year ended 31 March 2025

Audited

These financial statements have been audited in compliance with  
Section 30 of the Companies Act of South Africa 2008.

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

# **Tata Chemicals South Africa Proprietary Limited**

(Reg. No. 1996/004273/07)

## **Annual financial statements**

*for the year ended 31 March 2025*

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## **Tata Chemicals South Africa Proprietary Limited**

(Registration number: 1996/004273/07)

### **Directors' responsibility statement**

The directors are responsible for the preparation and fair presentation of the annual financial statements of Tata Chemicals South Africa Proprietary Limited, comprising the statement of financial position as at 31 March 2025, the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standard for Small and Medium - sized Entities, the requirements of the Companies Act of South Africa and the directors' report.

The directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

### **Approval of the annual financial statements**

The annual financial statements of Tata Chemicals South Africa Proprietary Limited, as identified in the first paragraph, were approved by the Board of Directors on 03 May 2025 and are signed by:



Authorised Director

Name: R Mukundan  
Date: 05 May 2025



Authorised Director

Name: Roderick Mpofu  
Date: 05 May 2025

# **Tata Chemicals South Africa Proprietary Limited**

(Registration number: 1996/004273/07)

## **Directors' report**

*for the year ended 31 March 2025*

The directors have the pleasure in presenting their report for the year ended 31 March 2025.

### **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 storage of similar products and terminal and venture cargo services

### **Financial results**

The company made a profit for the year of ZAR13 569 716 compared to the prior year of ZAR 16 531 771. At year end the Company's total assets exceeded its total liabilities by ZAR99 871 026, compared to ZAR116 301 310 in the prior year.

The financial results for the 2025 financial year are contained in the annual financial statements and related notes on pages 12 to 29. The anti-dumping has had an effect on revenue but were offset by opportunities which were identified to service customers through use of the Terminal Operator License, handling and storage of customer product.

### **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 during the year ZAR30 000 000 (2024: Rnil).

### **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 management personnel. Related party transactions have been disclosed in note 18 to the financial statements.

### **Directors**

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

R Mukundan	(Indian)
R Kamat	(Indian)
T Naikuni	(Kenyan)
Z Schneider	(South African)
R Mpofu	(South African)

# **Tata Chemicals South Africa Proprietary Limited**

(Registration number: 1996/004273/07)

## **Directors' report** *(continued)* *for the year ended 31 March 2025*

### **Secretary**

The company has not appointed a secretary.

### **Registered office and postal address**

140 Johnstone Road  
Maydon Wharf  
Durban  
4001

### **Going concern**

Despite ongoing trade challenges, including the sunset review impacting US manufacturers exporting to South Africa, the company has maintained a resilient operational and financial position. In the absence of soda ash imports from Tata Chemicals North America, we successfully adapted by relying on Tata Chemicals Magadi for supply to the mining sector. Furthermore, we retained a core customer base in the specialty chemicals segment, continuing to meet their demand for high-grade soda ash through intra-group trade and local sourcing.

The company's venture business has demonstrated strong performance, generating ZAR 23 million in revenue under the Terminal Operator License (TOL) model. This growth was further supported by new contracts in bulk material handling, particularly for sodium sulphate, soda ash, and gypsum, with some agreements secured for up to two years. As reflected in the financial results, sulphate volumes exceeded budget by over 71,000 MT, contributing a positive revenue variance of ZAR 4.9 million.

Additional growth was realized in the import of project cargo from China and export of coal and mining commodities. The company has added value to TOL operations by offering complementary services such as warehousing and cartage. This strategic approach is reflected in project cargo volumes reaching 228,106 MT (vs. no prior budget), and revenue of ZAR 7.47 million above expectation.

Although core product segments like SAM and HP underperformed against budget in both volume and revenue, the overall 3rd party product portfolio significantly exceeded volume forecasts by over 516,000 MT, contributing to a total revenue of ZAR 23.7 million, surpassing the ZAR 7.8 million budget by ZAR 15.9 million.

The directors are confident in the company's ability to continue operating for the foreseeable future. The strong financial performance, diversified revenue streams, successful client retention, and expanding value-added services support the conclusion that there are no material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

### **Subsequent events**

There have been no subsequent events that would require disclosure in the Company's financial statements.

### **Auditors**

KPMG Inc. was appointed as auditors of the company for 2025.

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 Liaaqat Inaiethoola as the designated lead audit partner for the 2025 financial year.



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Docex 246 Durban Web  
<http://www.kpmg.co.za>

## **Independent Auditor's Report**

### **To the shareholders of Tata Chemicals South Africa Proprietary Limited**

#### **Report on the audit of the annual financial statements**

##### **Opinion**

We have audited the annual financial statements of Tata Chemicals South Africa Proprietary Limited (the Company) set out on pages 8 to 29, which comprise the Statement of financial position as at 31 March 2025, 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 material 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 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standard (SMEs Accounting Standard) 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 information included in the document titled "Tata Chemicals South Africa Proprietary Limited Audited Financial



Statements 31 March 2025", which includes the Directors' Report as required by the Companies Act of South Africa. 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 IFRS for SMEs Accounting Standard (SMEs Accounting Standard) 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 the 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 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.

DocuSigned by:  
**KPMG**  
11212AB18A0249A...

Per Liaaqat Inaethoola  
Chartered Accountant (SA)  
Registered Auditor  
Associate Director  
6 May 2025

# Tata Chemicals South Africa Proprietary Limited

## Statement of financial position

as at 31 March 2025

	Notes	2025 ZAR	2024 ZAR
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1 111 381	477 073
Intangible asset	7	319 550	348 600
Deferred taxation	13	1 720 572	220 254
		<b>3 151 503</b>	<b>1 045 927</b>
<b>Current assets</b>			
Trade and other receivables	8	13 807 432	19 582 522
Inventories	9	40 637 007	31 273 425
Cash and cash equivalents	10	53 122 221	76 024 472
		<b>107 566 660</b>	<b>126 880 419</b>
<b>Total assets</b>		<b>110 718 163</b>	<b>127 926 346</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	600	600
Share premium	12	1 699 500	1 699 500
Retained earnings		98 170 926	114 601 210
		<b>99 871 026</b>	<b>116 301 310</b>
<b>Current liabilities</b>			
Trade and other payables	14	7 466 468	11 234 628
Taxation payable	11	3 380 669	390 408
		<b>10 847 137</b>	<b>11 625 036</b>
<b>Total equity and liabilities</b>		<b>110 718 163</b>	<b>127 926 346</b>

# Tata Chemicals South Africa Proprietary Limited

## Statement of profit or loss and other comprehensive income for the year ended 31 March 2025

	Notes	2025 ZAR	2024 ZAR
<b>Revenue</b>	2	121 907 320	156 241 917
Cost of sales		<u>(84 192 327)</u>	<u>(110 180 510)</u>
<b>Gross profit</b>		37 714 994	46 061 407
Other income		-	-
Foreign exchange (loss)/profits		157 070	(954 440)
Operating expenses		<u>(24 459 304)</u>	<u>(26 275 838)</u>
<b>Profit before interest and taxation</b>	3	<b>13 412 759</b>	<b>18 831 129</b>
Finance income	4	<u>4 787 129</u>	<u>3 815 148</u>
<b>Profit before taxation</b>		<b>18 199 888</b>	<b>22 646 277</b>
Taxation	5	<u>(4 630 172)</u>	<u>(6 114 506)</u>
<b>Net profit for the year</b>		<b>13 569 716</b>	<b>16 531 771</b>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<b>13 569 716</b>	<b>16 531 771</b>
Attributable to:			
Tata Chemicals Africa Holdings Limited		<u>13 569 716</u>	<u>16 531 771</u>

# Tata Chemicals South Africa Proprietary Limited

## Statement of changes in equity for the year ended 31 March 2025

	Share capital ZAR	Share premium ZAR	Accumulated profit ZAR	Total ZAR
<b>Balance as at 31 March 2023</b>	600	1 699 500	98 069 439	99 769 539
Total comprehensive income for the year	-	-	16 531 771	16 531 771
Dividends paid	-	-	-	-
<b>Balance as at 31 March 2024</b>	<b>600</b>	<b>1 699 500</b>	<b>114 601 210</b>	<b>116 301 310</b>
<b>Total comprehensive income for the year</b>	-	-	13 569 716	<b>13 569 716</b>
<b>Dividends paid</b>	-	-	(30 000 000)	<b>(30 000 000)</b>
<b>Balance as at 31 March 2025</b>	<b>600</b>	<b>1 699 500</b>	<b>98 170 926</b>	<b>99 871 026</b>

# Tata Chemicals South Africa Proprietary Limited

## Statement of cash flows

for the year ended 31 March 2025

	Notes	2025 ZAR	2024 ZAR
<b>Cash flows from operating activities</b>			
Cash generated from operations	15	6 296 894	36 338 911
Finance income received		4 787 129	3 815 148
Taxation paid	16	(3 140 230)	(6 679 229)
<b>Net cash inflow from operating activities</b>		<b>7 943 793</b>	<b>33 474 830</b>
<b>Cash flows from investing activities</b>			
Additions to plant and equipment		(114 782)	(33 350)
Capital Works in Progress		(745 200)	-
Disposal of Fixed Asset		13 938	-
<b>Net cash outflow from investing activities</b>		<b>(846 044)</b>	<b>(33 350)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(30 000 000)	-
<b>Net cash outflow from financing activities</b>		<b>(30 000 000)</b>	<b>-</b>
<b>Net (decrease) /increase in cash and cash equivalents</b>		<b>(22 902 251)</b>	<b>33 441 480</b>
Cash and cash equivalents at beginning of year		76 024 472	42 582 992
<b>Cash and cash equivalents at end of year</b>	10	<b>53 122 221</b>	<b>76 024 472</b>

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements

*for the year ended 31 March 2025*

### 1. Material 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

These financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium - sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The financial statements have been prepared on the historical cost basis and incorporate the principle policies set out below. The financial statements were authorised for issue by the Company's directors on 03 May 2025.

All monetary information and figures presented in these financial statements are stated in South African Rands (ZAR) which is the company's functional currency. The basis of preparation is consistent with the prior year.

#### 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.

#### 1.4 Revenue from contracts with customers

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 services are rendered.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 1. Material 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. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 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.

A deferred tax liability is recognised for all taxable temporary differences.

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.

##### *Tax expenses*

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 1. Material accounting policies *(continued)*

#### 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.

##### 1.7.1 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. Salaries incurred for warehouse staff are classified as operating expenses and included in staff costs.

#### 1.8 Property, plant and equipment

Property, plant and equipment are measured at 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.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 1. Material accounting policies *(continued)*

#### 1.8 Property, plant and equipment *(continued)*

##### ***Depreciation (continued)***

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

Plant and equipment	3 – 10 years
Leasehold improvements	3 – 10 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.

##### ***Impairment***

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

##### ***Derecognition***

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 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.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 1. Material accounting policies *(continued)*

#### 1.9 Intangible assets *(continued)*

##### *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 amortised over a 10-year period, 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 amortised till the termination of the lease which is 31 October 2037.

#### 1.10 Financial instruments

##### *Initial measurement*

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss), unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### *Financial instruments at amortised cost*

These include Cash and cash equivalents, Loans receivables, Trade receivables and Trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

##### *Financial instruments at cost*

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

##### *Derecognition of financial instruments*

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.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 1. Material accounting policies *(continued)*

#### 1.10 Financial instruments *(Continued)*

The Company derecognises a financial liability when its contractual obligations are discharged, 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.

#### ***Offsetting:***

An entity shall not offset assets and liabilities, or income and expenses, unless required or permitted by this Standard:

- (a) measuring assets net of valuation allowances is not offsetting. For example, allowances for inventory obsolescence and allowances for uncollectable receivables.
- (b) if an entity's normal operating activities do not include buying and selling non-current assets, including investments and operating assets, then the entity reports gains and losses on disposal of such assets by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses.

#### 1.11 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.

#### 1.12 Leases

##### ***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.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 1. Material accounting policies *(continued)*

#### 1.13 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.

#### 1.14 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 Limited and Tata Chemicals Magadi Limited as well as goods-in-transit at the end of the year and Fees payable to Tata Sons Private Limited which have been provided for brand equity and business promotion.

#### 1.15 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 1. Material accounting policies *(continued)*

#### 1.16 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

##### *Provision for trade receivables and loans and receivables*

The company assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

No estimate has been raised in the prior year.

##### *Taxation*

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 2. Revenue

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

	2025 ZAR	2024 ZAR
Sale of goods	98 250 095	113 361 541
Services provided	23 657 225	42 880 376
	<b>121 907 320</b>	<b>156 241 917</b>

### 3. Profit before interest and taxation

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

	2025 ZAR	2024 ZAR
Auditors' remuneration		
– audit fees	633 957	507 625
Amortisation of lease premium	29 050	27 000
Depreciation	224 222	225 541
Net foreign unrealised exchange (gain)/loss	(74 354)	954 440
Operating lease rentals	4 143 008	6 976 382
Staff costs	7 179 921	6 469 799
	<b>22</b>	<b>21</b>

### 4. Finance income

#### *Finance income*

Interest received		
– bank	4 787 129	3 815 148
	<b>4 787 129</b>	<b>3 815 148</b>

### 5. Taxation

#### South African normal taxation

Current tax	6 130 490	6 175 008
Deferred tax	(1 500 318)	(60 502)
– current year	(1 500 318)	(60 513)
– prior year (over)/under provision	-	11
	<b>4 630 172</b>	<b>6 114 506</b>

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

		2025 ZAR	2024 ZAR
<b>5. Taxation <i>(continued)</i></b>			
<b><i>Reconciliation of tax expense</i></b>			
Accounting profit		<b>18 199 889</b>	<b>22 646 277</b>
Tax at the applicable tax rate of 27% (2024: 27%)		4 913 970	6 114 495
Prior year (over)/under provision		(283 798)	11
		<b>4 630 172</b>	<b>6 114 506</b>
		%	%
<b><i>Reconciliation of taxation rate</i></b>			
Standard taxation rate		<b>27.00</b>	27.00
Effective taxation rate		<b>27.00</b>	27.00
<b>6. Property, plant and equipment</b>			
	<b>Cost ZAR</b>	<b>Accumulated depreciation ZAR</b>	<b>Carrying value ZAR</b>
<b>2025</b>			
Plant and equipment	455 024	(277 508)	177 516
Leasehold improvements	172 946	(166 161)	6 785
Furniture and fittings	44 000	(4 400)	39 600
Computer & Peripherals	119 200	(85 430)	33 770
Motor vehicles	373 652	(265 142)	108 510
Capital works in progress	745 200	-	745 200
	<b>1 910 022</b>	<b>(798 641)</b>	<b>1 111 381</b>
<b>2024</b>			
Plant and equipment	402 893	(231 712)	171 181
Leasehold improvements	215 071	(186 321)	28 750
Furniture and fittings	100 550	(62 129)	38 421
Motor vehicles	373 652	(134 931)	238 721
	<b>1 092 166</b>	<b>(615 093)</b>	<b>477 073</b>

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

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

#### *Reconciliation of property, plant and equipment*

	Opening balance ZAR	Additions ZAR	Disposal ZAR	Depreciation ZAR	Closing balance ZAR
<b>2025</b>					
Plant and equipment	171 181	52 132	-	(45 797)	177 516
Leasehold improvements	28 750	-	(13 938)	(8 027)	6 785
Furniture and fittings	-	44 000	-	(4 400)	39 600
Motor vehicles	238 721	-	-	(130 212)	108 509
Computer & Peripheral	38 421	18 650	-	(23 300)	33 771
Capital works in progress	-	745 200	-	-	745 200
	<b>477 073</b>	<b>859 982</b>	<b>(13 938)</b>	<b>(211 736)</b>	<b>1 111 381</b>
<b>2024</b>					
Plant and equipment	221 699	-	-	(50 518)	171 181
Leasehold improvements	50 133	-	-	(21 383)	28 750
Furniture and fittings	34 159	33 350	-	(29 088)	38 421
Motor vehicles	363 273	-	-	(124 552)	238 721
	<b>669 264</b>	<b>33 350</b>	<b>-</b>	<b>(225 541)</b>	<b>477 073</b>

Capital expenditure in progress as @ 31.03.2025 has R745 200.00, relating to the board and waterproofing to the warehouse tunnel roof. The expenditure is being capitalized and will be included in Leasehold Improvements when completed. The expected completion of the project is 01.05.2025

<b>7. Intangible assets</b>	<b>2025 ZAR</b>	<b>2024 ZAR</b>
Cost	1 078 400	1 078 400
Accumulated amortisation	(758 850)	(729 800)
Carrying value	<b>319 550</b>	<b>348 600</b>
<i>Reconciliation of the carrying amount</i>		
Carrying amount at beginning of year	<b>348 600</b>	375 600
Amortisation charge	(29 050)	(27 000)
Carrying amount at end of year	<b>319 550</b>	<b>348 600</b>

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 7. *Intangible assets (continued)*

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.

8. Trade and other receivables	ZAR	ZAR
Trade receivables	19 254 790	18 705 331
Loans receivable	222 405	298 406
Other receivables	1 489 289	578 785
	<b>20 966 484</b>	<b>19 582 522</b>
<i>Provision for bad debts recon</i>		
Opening balance	-	-
Bad debt written off	-	-
Movement in provision	(7 159 052)	-
Closing balance	<b>13 807 432</b>	<b>19 582 522</b>

An amount of ZAR12 318 143 (2024: ZAR19 003 737) constitutes a financial asset and is measured at amortised cost.

### 9. Inventories

Finished goods	39 152 034	31 028 985
Packaging materials	282 905	244 440
Goods-in-transit	1 202 067	-
	<b>40 637 006</b>	<b>31 273 425</b>

### 10. Cash and cash equivalents

Bank balance		
– current account	3 184 678	9 621 397
– call account	49 893 338	66 374 335
	<b>44 205</b>	<b>28 740</b>
– cfc account		
	<b>53 122 221</b>	<b>76 024 472</b>

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

<b>11. Taxation (payable)/receivable</b>	<b>2025 ZAR</b>	<b>2024 ZAR</b>
Opening balance	(390 408)	(894 629)
Statement of profit and loss & other comprehensive income		
– current taxation	(6 130 490)	(6 175 008)
Taxation paid	3 140 231	6 679 229
Taxation refund	-	-
Balance at end of year	<b>(3 380 667)</b>	<b>(390 408)</b>
<b>12. Share capital</b>	<b>2025 ZAR</b>	<b>2024 ZAR</b>
<i>Authorised</i>		
1 000 ordinary shares of R1 each	1 000	1 000
<i>Issued</i>		
600 ordinary shares of R1 each	600	600
<i>Share premium</i>	1 699 500	1 699 500
<b>13. Deferred taxation</b>		
Opening balance	220 254	159 752
– current year	1 500 318	60 513
– prior year over/(under) provision	-	(11)
Deferred tax asset at the end of the year	<b>1 720 572</b>	<b>220 254</b>
Deferred taxation balance is comprised as follows:		
Lease charge	(86 932)	(94 122)
Section 24I (10)		
Prepayments	(135 549)	(150 005)
Provision for bonus	195 486	178 855
Provision for leave pay	170 835	149 446
Provision for audit fees	146 966	136 080
Deferred tax asset at the end of the year	<b>290 806</b>	<b>220 254</b>

A deferred tax asset of ZAR290 806 (2023: ZAR220 254) 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.

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

	2025 ZAR	2024 ZAR
<b>14. Trade and other payables</b>		
Intercompany trade payables	2 435 830	-
Other trade payables	1 355 249	1 492 323
Other payables and accrued expenses	3 042 667	9 188 801
Leave pay accrual	632 722	553 504
Deferred income	-	-
	<b>7 466 468</b>	<b>11 234 628</b>

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

The amount of ZAR6 201 024 (2024: ZAR10 694 129) constitutes a financial liability and is measured at amortised cost.

	2025 ZAR	2024 ZAR
<b>15. Cash generated from operations</b>		
Net profit before taxation	18 199 889	22 646 277
Adjustments for:		
Finance income	(4 787 129)	(3 815 148)
Amortisation of lease premium	29 050	27 000
Depreciation	211 736	225 541
Operating profit before working capital changes	13 653 546	19 083 670
(Increase)/Decrease in inventories	(9 363 582)	35 198 644
(Increase)/Decrease in trade and other receivables	5 775 090	14 942 366
Increase/(Decrease) in trade and other payables	(3 768 160)	(32 885 769)
	<b>6 296 894</b>	<b>36 338 911</b>
<b>16. Taxation paid</b>		
Balance at beginning of year	(390 408)	(894 629)
Current period charge (excluding deferred taxation)	(6 130 490)	(6 175 008)
Balance at end of year	3 380 667	390 408
	<b>(3 140 231)</b>	<b>(6 679 229)</b>

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 17. Operating lease commitments

Due within one year	4 183 491	4 029 617
Due within two or five years	-	2 352 082
	<b>4 183 491</b>	<b>6 381 699</b>

The lease contract is for the rental of the building and warehouse at the port of Durban. The monthly rental is negotiated every five years with an escalation of +/-8% per annum. The second lease contract is rental of the warehouse in Sydney Road, Durban. This contract is a three-year contract ending 16 April 2026.

### 18. Related party transactions

#### *Relationships:*

Ultimate holding company:	Tata Chemicals Limited
Holding company:	Tata Chemicals Africa Holdings Limited
Related parties transacted with:	Tata Chemicals Magadi Limited Tata Chemicals Limited Tata Sons Private Limited

The directors are listed in note 20.

#### *Material related party transactions/balances:*

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

	2025 ZAR	2024 ZAR
<i>Purchases for the year ended 31 March 2025:</i>		
Tata Chemicals Magadi Limited	17 462 872	28 184 660
- Purchases (goods received)	17 462 872	28 184 660
- Goods-in-transit	-	-

#### *Balances owing by the company as at 31 March 2025:*

Tata Chemicals Magadi Limited	-	-
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# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2025

### 18. Related party transactions *(continued)*

	2025 ZAR	2024 ZAR
<i>Purchases for the year ended 31 March 2025:</i>		
Tata Chemicals Limited	2 435 829	7 780 767
- Purchases (goods received)	1 218 218	7 780 767
- Goods-in-transit	1 217 611	-
<i>Balances owing by the company as at 31 March 2025:</i>		
Tata Chemicals Limited	2 435 829	-

The payment terms are 90 days and 60 days respectively from the bill of lading. The trade payable balance is unsecured and interest free and settlement occurs in cash.

	2025 ZAR	2024 ZAR
<i>Fees for the year ended 31 March 2025:</i>		
Tata Sons Private Limited	(243 362)	(319 754)
- Brand equity and business promotion	(243 362)	(319 754)
<i>Balance payable by the company as at 31 March 2024:</i>		
Tata Sons Private Limited	(243 362)	(319 754)

The payment for the aforementioned provisions will be processed upon receipt of an application by First National Bank to the Reserve Bank for authorisation.

### 19. Facilities and guarantees

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

Guarantees given were as follows:

- R48 988 in favour of The City Treasurer with no expiry date.
- R200 000 in favour of South African Revenue Services with no expiry date.
- R225 407 in favour of HCI Sydney Road (Pty) Ltd expires 16 July 2026

Collateral for FNB current account:

1. Cession of debtors – Amount: unlimited
2. Cession of First Rand Deposit/Credit balance – Amount: R1 015 000

Collateral for the five Guarantees issued by FNB 3rd party beneficiaries – R1 015 000

# Tata Chemicals South Africa Proprietary Limited

## Notes to the financial statements *(continued)*

for the year ended 31 March 2025

20.	Directors' emoluments	Directors Emolument ZAR	Salary and Bonus ZAR	Total ZAR
	<b>2025</b>			
	R Mukundan	-	-	-
	R Kamat	-	-	-
	T Naikuni	269 361	-	269 361
	Z Schneider	-	-	-
	R Mpofu	-	1 468 492	1 468 492
		<b>269 361</b>	<b>1 468 492</b>	<b>1 737 853</b>
	<b>2024</b>			
	<i>Z Langrana</i>	-	-	-
	R Mukundan	-	-	-
	R Kamat	-	-	-
	T Naikuni	122 577	-	122 577
	Z Schneider	-	-	-
	R Mpofu	-	1 421 136	1 421 136
		<b>122 577</b>	<b>1 421 136</b>	<b>1 543 713</b>

## 21. Going concern

Despite ongoing trade challenges, including the sunset review impacting US manufacturers exporting to South Africa, the company has maintained a resilient operational and financial position. In the absence of soda ash imports from Tata Chemicals North America, we successfully adapted by relying on Tata Chemicals Magadi for supply to the mining sector. Furthermore, we retained a core customer base in the specialty chemicals segment, continuing to meet their demand for high-grade soda ash through intra-group trade and local sourcing. The company's venture business has demonstrated strong performance, generating ZAR 23 million in revenue under the Terminal Operator License (TOL) model. This growth was further supported by new contracts in bulk material handling, particularly for sodium sulphate, soda ash, and gypsum, with some agreements secured for up to two years. As reflected in the financial results, sulphate volumes exceeded budget by over 71,000 MT, contributing a positive revenue variance of ZAR 4.9 million.

Additional growth was realized in the import of project cargo from China and export of coal and mining commodities. The company has added value to TOL operations by offering complementary services such as warehousing and cartage. This strategic approach is reflected in project cargo volumes reaching 228,106 MT (vs. no prior budget), and revenue of ZAR 7.47 million above expectation.

Although core product segments like SAM and HP underperformed against budget in both volume and revenue, the overall 3rd party product portfolio significantly exceeded volume forecasts by over 516,000 MT, contributing to a total revenue of ZAR 23.7 million, surpassing the ZAR 7.8 million budget by ZAR 15.9 million.

The directors are confident in the company's ability to continue operating for the foreseeable future. The strong financial performance, diversified revenue streams, successful client retention, and expanding value-added services support the conclusion that there are no material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

# **Tata Chemicals South Africa Proprietary Limited**

## **Notes to the financial statements** *(continued)* for the year ended 31 March 2025

### **22. Subsequent events**

There have been no subsequent events that would require disclosure in the Company's financial statements.