

Tata Motors (SA) Proprietary Limited
(Registration number:2007/034689/07)

Annual Financial Statements
for the year ended 31 March 2019

Audited

Prepared by: Raj Kishore Jhawar
Chief Financial Officer

The financial statements represents the financial information of Tata Motors (SA) (Pty) Ltd and have been audited in compliance with S30 of the Companies Act of 2008.

Tata Motors (SA) Proprietary Limited

(Registration number: 2007/034689/07)

Annual Financial Statements

for the year ended 31 March 2019

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Tata Motors (SA) Proprietary Limited

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Directors' Responsibility Statement

at 31 March 2019

The directors are required by the South African Companies Act of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at 31 March 2019 and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

The directors responsibility includes: designing, implementing and maintaining 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in the annual financial statements.

The directors acknowledge that they are responsible for establishing internal controls, systems and procedures that provide reasonable assurance that all the assets are safeguarded, transactions properly executed and recorded and that the possibility of material loss or misstatement is minimised. To this end, proper delegation of responsibilities and an adequate approvals framework has been introduced to ensure an acceptable level of risk commensurate with the size of the operation. All employees are required to maintain the highest ethical standards in ensuring that appropriate infrastructure, controls systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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Directors' Responsibility Statement *(continued)*

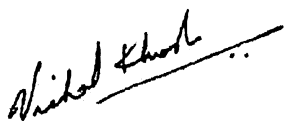
at 31 March 2019

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

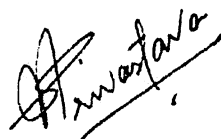
The external auditors are responsible for independently reviewing and reporting on the financial statements, which were examined by the external auditors and their unmodified report, is presented on page 6 to 8.

The financial statements of Tata Motors (SA) Proprietary Limited, as set out on pages 9 to 37, were approved by the board of directors on 12th April 2019 and were subsequently signed on its behalf by:

Approval of the annual financial statements



Vishal Khosla
Director



Niraj Srivastava
Director

Tata Motors (SA) Proprietary Limited

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Directors' Report

For the year ended 31 March 2019

The directors have pleasure in presenting their report on the activities of the company for the year ended 31 March 2019.

Business Activities

The company manufactures and assembles commercial vehicles from the kits supplied by Tata Motors Limited, India and Tata Daewoo Commercial Vehicle Company Limited, South Korea. A site at Rosslyn has been obtained on lease from Tata Africa Holdings (SA) (Pty) Ltd. The company sells its units to Tata Automobile Corporation (SA) (Pty) Ltd.

Financial Statements

The financial position of the company and the results of its operations for the year are set out in the attached financial statements on pages 9 to 37 and in the opinion of the directors require no further comment.

Authorised and Issued Share Capital

The authorised share capital of the company is R 42 000 000 (2018: R 42 000 000). The issued share capital is R 19 837 000 (2018: R 19 837 000).

Dividends

No dividend was declared or paid during the year (2018: R nil).

Directors

The directors of the company during the year under review and up to the date of the annual financial statements:

<u>Name</u>	<u>Nationality</u>		
Girish Wagh	Indian		
R Maitra	Indian		
Niraj Srivastava	Indian		
Vishal Khosla	Indian		
Len Brand	South African	Appointed	14 December 2018
Rolf Ramakers	South African	Resigned	14 December 2018

Company Secretary

A company secretary has not been appointed and this position remains vacant.

Holding Company

Tata Motors (SA) Proprietary Limited is a subsidiary of TML Holdings Pte. Limited which holds 60% of the company's ordinary shares. TML Holdings Pte. Limited is incorporated in Singapore.

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Directors Report *(continued)*

For the year ended 31 March 2019

Post Balance Sheet Events

The directors are not aware of any events of a material nature that have occurred between the accounting date and the date of this report.

Auditors

KPMG Inc. are the appointed auditor of Tata Motors (SA) Proprietary Limited.

Registered Office and Postal Address

The registered and postal addresses of the company are:

Business Address

11 William Hoy Street
Rosslyn, Pretoria
0200

Postal Address

P.O. Box 911-863
Rosslyn, Pretoria
0200



KPMG Inc.
KPMG Crescent
85 Empire Road, Parktown, 2193,
Private Bag 9, Parkview, 2122, South Africa

Telephone +27 (0)11 647 7111
Fax +27 (0)11 647 8000
Docex 472 Johannesburg
Internet kpmg.co.za

Independent Auditor's Report

To the Shareholders of Tata Motors (SA) (Pty) Ltd

Opinion

We have audited the financial statements of Tata Motors (SA) (Pty) Ltd (the company) set out on pages 9 to 37, 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 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 Motors (SA) (Pty) Ltd as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards 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 Directors' Responsibility Statement. 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.

KPMG Inc. is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc. is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Executive Chairman: Prof Wiseman Nkuhlu

Directors: Full list on website

The company's principal place of business is at KPMG Crescent,

85 Empire Road, Parktown, where a list of the directors' names is available for inspection.



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.

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.

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- 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.

A handwritten signature in blue ink, appearing to read 'Willem Pretorius', with a long horizontal stroke extending to the right.

Per Willem Pretorius
Chartered Accountant (SA)
Registered Auditor
Director
12 April 2019

Tata Motors (SA) Proprietary Limited

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Statement of Financial Position

at 31 March 2019

	Notes	2019 R	2018 R
Assets			
Non-current assets		25 974 100	15 216 620
Property, plant and equipment	3	14 122 864	15 216 620
Intangible assets	4	-	-
Trade and other receivables	6	11 851 236	-
Current assets		184 676 153	107 562 557
Inventories	5	86 075 896	47 540 687
Tax assets		137 014	12 815
Trade and other receivables	6	96 981 352	59 368 070
Cash and cash equivalents	7	1 481 891	640 985
Total assets		210 650 253	122 779 177
Equity and Liabilities			
Equity		30 089 544	26 993 242
Share capital	8	19 837 000	19 837 000
Retained earnings		10 252 544	7 156 242
Non- Current Liabilities		26 359 229	14 812 213
Shareholders loans	9	11 329 800	11 329 800
Deferred taxation	10	1 208 267	1 348 327
Deferred income –long term (government grant)	11	1 969 926	2 134 086
Trade and other payables	12	11 851 236	-
Current liabilities		154 201 480	80 973 722
Trade and other payables	12	153 555 407	80 509 698
Provisions	13	481 913	299 864
Deferred income- short term(government grant)	11	164 160	164 160
Total equity and liabilities		210 650 253	122 779 177

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Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2019

	Notes	2019 R	2018 R
Revenue	14	286 478 551	204 694 160
Cost of sales		<u>(273 476 484)</u>	<u>(190 818 108)</u>
Gross profit		13 002 067	13 876 052
Other income		1 704 452	850 151
Administrative and operating expenses		<u>(9 559 891)</u>	<u>(9 433 071)</u>
Profit from operations	15	5 146 628	5 293 132
Interest received	16	1 800 887	457 535
Finance costs	17	<u>(2 472 052)</u>	<u>(1 169 918)</u>
Profit before taxation		4 475 463	4 580 749
Taxation	18	<u>(1 379 160)</u>	<u>(1 260 067)</u>
Net profit for the year		3 096 303	3 320 682
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>3 096 303</u>	<u>3 320 682</u>

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Statement of Changes in Equity

for the year ended 31 March 2019

	Share Capital R	Retained Income R	Total R
Balance at 1 April 2017	19 837 000	3 835 560	23 672 560
Total comprehensive income for the period	-	3 320 682	3 320 682
Balance at 1 April 2018	19 837 000	7 156 242	26 993 242
Total comprehensive income for the period	-	3 096 303	3 096 303
Balance at 31 March 2019	19 837 000	10 252 545	30 089 545

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Statement of Cash Flows

for the year ended 31 March 2019

	Notes	2019 R	2018 R
Cash flow from operating activities			
Cash generated from operations	19	3 310 123	173 781
Finance costs		(2 016 622)	(552 676)
Interest received		1 800 887	457 535
Taxation paid		(1 643 418)	475 634
Net cash flow from operating activities		<u>1 450 970</u>	<u>554 274</u>
Cash flow from investing activities			
Acquisition of plant and equipment and other assets to maintain operations	3	(610 064)	(829 247)
Net cash flow from investing activities		<u>(610 064)</u>	<u>(829 247)</u>
Net increase/ (decrease) in cash and cash equivalents			
		840 906	(274 974)
Cash and cash equivalents at beginning of year			
		<u>640 985</u>	<u>915 959</u>
Cash and cash equivalents at end of the year	7	<u>1 481 891</u>	<u>640 985</u>

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Tata Motors (SA) Proprietary Limited

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Accounting Policies

for the year ended 31 March 2019

1. Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards, the interpretations of the International Financial Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, and the requirements of the Companies Act of South Africa, 2008.

They were authorised for issue by the Company's board of directors on 12 April 2019.

The financial statements have been prepared on the historical cost basis. The principle accounting policies are set out below. This is in line with prior year apart from IFRS 9 and IFRS 15 which was adopted by company on 1st April 2018. These two standards had no significant impact of company's measurement and recognition principles. Details about these two standards are provided below:

IFRS 9 Financial Instruments (New Standard)

On 1st April 2018, the company adopted IFRS 9, which replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no material impact on the carrying amounts of company's financial assets given the company transacts with only a single party, which is a related party, with whom the company had no historical event of default.

Prior to the adoption of IFRS 9, financial instruments were accounted for in accordance with IAS 39. In accordance with those requirements, the company's financial assets were allocated to either cash or to the categories "loans and receivable" or "held for trading". Financial liabilities were allocated to the categories "loans and borrowings". On initial recognition, financial instruments accounted for in accordance with IAS 39 were measured at fair value, whereby transactions costs were taken into account except in the case of financial instruments allocated to the category "at fair value through profit or loss". Subsequent to initial recognition, held-for-trading financial instruments and financial assets for which the fair value option was applied were measured at fair value. Financial assets that were classified as loans and receivables and financial liabilities (with the exception of derivative financial instruments) were subsequently measured at amortised cost using the effective interest method. The IAS 39 impairment model was based on a regular determination of whether objective evidence indicated that impairment had already occurred. For the purpose of assessing possible impairment, all available information, such as market conditions and prices as well as the length of time and the scale of decline in value were taken into account.

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Accounting Policies

for the year ended 31 March 2019

IFRS 15 Revenue from Contract with Customers (New Standard)

IFRS 15 supersedes the previous revenue recognition guidance including IAS 18 revenue, IAS 11 construction contracts and the related interpretation. IFRS 15 establishes a single comprehensive five-step model to account for revenue arising from contracts with customers and is based on the core principle that revenues recognize when control of a good or service transfers to a customer.

The Company recognizes revenues on the sale/invoicing of products (trucks) to customer, all title, risks, and rewards of ownership is passed on to the customer upon invoicing. Sale of products is presented net of taxes (ie VAT) with no other further obligations and conditions. Revenues are recognized assuming the collectability of the resulting receivable is reasonably assured. For sale and purchases with payment term more than 12 month, interest component has been accounted appropriately post adoption of IFRS 15.

2. Presentation of the financial statements

The financial statements are presented in South African Rands since that is the currency in which the majority of the company transactions are denominated.

3. Standards and interpretations issued but not yet effective

At the date of approval of the financial statements of Tata Motors (SA) Proprietary Limited for the year ended 31 March 2019, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Date issued by IASB	Effective date Periods beginning on or after
IFRS 16	<i>Leases</i>	January 2016	1 January 2019
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>	June 2017	1 January 2019

The directors have assessed the impact of the adoption of these standards and interpretations, which are as following.

IFRS 16: Leases

IFRS 16 replaces existing lease guidance, including IAS 17 Leases. The company is required to adopt IFRS 16 (Leases) from 1st January 2019. The company has assessed the estimated impact that initial application of IFRS 16 will have on its financials.

Company has taken its land on lease from Tata Africa Holding Co which expires on July 2020. The company will recognise a new asset and liability for the same. As on 31st March 19 the Company has a lease liability of R 3,311,761 (out of which R 2,509,967 is current and R 801,794 is not current). Next year the nature of the expense related to this lease will be changed, as the company will recognise a depreciation charge for right-of use assets and interest expense on the lease liability. Currently the company recognises operating lease expenses on a straight-line basis over the term of the lease.

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Accounting Policies

for the year ended 31 March 2019

IFRIC 23: Uncertainty over Income Tax Treatments

The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes. No significant impact is expected as the company does not have significant uncertainties in accounting for income taxes.

4. Property, plant and equipment

Assets in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such assets are classified to the appropriate categories of plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other asset categories, commences when the assets are ready for their intended use.

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to income on the straight-line basis so as to write off the cost or valuation of the assets to their estimated residual values over their estimated useful lives. The estimated useful lives and residual values are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates used are as follows:

Item	Useful Life Range		
Machinery	4 Years	to	21 Years
Furniture and Fittings	4 Years	to	21 Years
Vehicles	9 Years		
Equipment	4 Years	to	30 Years
Leasehold Improvements	5 Years	to	30 Years

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

5. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets relate to software and pre-operating expenses and are amortised over 4 to 5 years.

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Accounting Policies *(continued)*

for the year ended 31 March 2019

6. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated as the actual raw material cost and an appropriate proportion of variable and fixed overheads. Net realisable value presents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

7. Impairment

At each statement of financial position date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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Tata Motors (SA) Proprietary Limited

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Accounting Policies *(continued)*

for the year ended 31 March 2019

8. Revenue

The Company recognizes revenues on the sale/invoicing of products to customer, all title, risks, and rewards of ownership is passed on to the customer upon invoicing. Sale of products is presented net of taxes (ie VAT) with no other further obligations and conditions. Revenues are recognized assuming the collectability of the resulting receivable is reasonably assured. For a sale with a payment term more than 12 months, revenue is recognized at net present value on date of sale.

9. Foreign currency

Transactions in currencies other than the company's reporting currency (South African Rand) are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the statement of financial position date. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded are recognised as income or expenses in the year in which they arise.

10. Lease rentals

Operating lease rentals are charged to income in a systematic manner related to the years of use of the assets concerned.

11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.



Tata Motors (SA) Proprietary Limited

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Accounting Policies *(continued)*

for the year ended 31 March 2019

11. Taxation *(continued)*

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.

12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



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Accounting Policies *(continued)*

for the year ended 31 March 2019

13. Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

14. Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company has become a party to the contractual provisions of the instrument.

Financial assets

The company makes an assessment of the objective of the business model in which an asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management.

Business model measurements

Depending on the business model and the structure of contractual cash flows, financial assets are classified as follows:

- **Amortised Cost,**
The 'amortised cost' is the amount at which financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance before 1 January 2018).

A financial asset is classified at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit (FTTPL

- The asset is held with the business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and principal and interest (SPPI).

At amortised cost financial assets

Trade and other receivables and cash and cash equivalents that have fixed or determinable payments that are not quoted in an active market are classified as at amortised cost financial assets. At amortised cost financial assets are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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Accounting Policies (*continued*)

for the year ended 31 March 2019

14. Financial instruments (*continued*)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) or payments through the expected life of the financial asset or liability (respectively), or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Trade and other receivables are stated at amortised cost. Tata Motors SA applies the simplified approach described in IFRS 9 trade receivables, whereby the amount of the loss allowance is measured subsequent to the initial recognition of the receivable on the basis of lifetime expected credit losses (stage 2- simplified approach

Financial liabilities

Classification

Management determines the classification of financial liabilities at initial recognition. The company classified its financial liabilities in two categories:

- Amortised Cost,
Financial liabilities at amortised cost includes trade and payables and shareholders loans
Financial liabilities at fair value through profit or loss.

15. Related party transactions

Related parties are defined as those parties that:

- a) directly, or indirectly through one or more intermediaries:
 - (i) control, are controlled by, or are under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) have an interest in the entity that gives it significant influence over the entity; or
- b) are members of the key management personnel of the entity or its parent including close members of the family.

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Notes to Financial Statements *(continued)*

for the year ended 31 March 2019

2. Significant Accounting Judgements

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Income taxes and deferred taxes

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 reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the company operates could limit the ability of the company to obtain tax deductions in future periods.

Other estimates made

The company also makes estimates for:

- the estimation of potential impairment of plant and equipment;
- the calculation of the doubtful debt allowance; and
- the calculation of any provision for claims, litigation and other legal matters.



Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements

for the year ended 31 March 2019

3. Property, plant and equipment

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total
2019							
Cost							
Balance as at 1 April 2018	-	5 202 366	252 037	186 000	9 729 256	10 030 024	25 399 683
Transfer from assets under construction	-	-	-	-	-	-	-
Additions	-	-	31 569	-	578 495	-	610 064
Scrapped	-	-	-	-	(271 464)	-	(271 464)
Balance as at 31 March 2019	-	5 202 366	283 606	186 000	10 036 287	10 030 024	25 738 283
Accumulated Depreciation	-						
Balance as at 1 April 2018	-	1 820 824	101 728	147 257	5 136 330	2 976 923	10 183 062
Depreciation	-	303 245	27 109	21 037	723 731	470 280	1 545 402
Scrapped	-	-	-	-	(113 046)	-	(113 046)
Balance as at 31 March 2019	-	2 124 069	128 837	168 294	5 747 015	3 447 203	11 615 418
Carrying Value	-						
Balance as at 1 April 2018	-	3 381 542	150 309	38 743	4 592 926	7 053 101	15 216 620
Balance as at 31 March 2019	-	3 078 297	154 769	17 706	4 289 272	6 582 821	14 122 864

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

3. Property, plant and equipment (continued)

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total
2018							
Cost							
Balance as at 1 April 2017	-	5 183 017	199 277	187 595	10 119 512	9 836 609	25 391 517
Transfer from assets under construction	-	-	-	-	-	-	-
Additions	-	76 088	52 760	-	506 984	193 415	829 247
Scrapped	-	(56 739)	-	(1 595)	(897 240)	-	(955 574)
Balance as at 31 March 2018	-	5 202 366	252 037	186 000	9 729 256	10 030 024	25 399 683
Accumulated Depreciation							
Balance as at 1 April 2017	-	1 548 156	82 862	127 815	5 171 490	2 514 937	9 445 260
Depreciation	-	304 133	18 866	21 037	752 712	461 986	1 558 734
Scrapped	-	(31 465)	-	(1 595)	(787 872)	-	(820 932)
Balance as at 31 March 2018	-	1 820 824	101 728	147 257	5 136 330	2 976 923	10 183 062
Carrying Value							
Balance as at 1 April 2017	-	3 634 862	116 415	59 780	5 733 364	7 321 672	16 080 750
Balance as at 31 March 2018	-	3 381 542	150 309	38 743	4 592 926	7 053 101	15 216 620

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements *(continued)* for the year ended 31 March 2019

4. Intangible assets

	Software	Total
2019		
Cost		
Balance as at 1 April 2018	4 083 582	4 083 582
Transfer from assets under construction	-	-
Additions	-	-
Scrapped	-	-
Balance as at 31 March 2019	<u>4 083 582</u>	<u>4 083 582</u>
Accumulated Amortization	4 083 582	4 083 582
Balance as at 1 April 2018	-	-
Depreciation	-	-
Scrapped	-	-
Balance as at 31 March 2019	<u>4 083 582</u>	<u>4 083 582</u>
Carrying Value		
Balance as at 1 April 2018	-	-
Balance as at 31 March 2019	<u>-</u>	<u>-</u>
2018		
Cost		
Balance as at 1 April 2017	4 083 582	4 083 582
Transfer from assets under construction	-	-
Additions	-	-
Scrapped	-	-
Balance as at 31 March 2018	<u>4 083 582</u>	<u>4 083 582</u>
Accumulated Amortization	4 083 582	4 083 582
Balance as at 1 April 2017	-	-
Depreciation	-	-
Scrapped	-	-
Balance as at 31 March 2018	<u>4 083 582</u>	<u>4 083 582</u>
Carrying Value		
Balance as at 1 April 2017	-	-
Balance as at 31 March 2018	<u>-</u>	<u>-</u>

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
5. Inventories		
Finished Goods	15 590 510	17 549 462
Raw material	28 853 528	18 188 380
Goods in transit	41 587 416	11 783 112
Inventory of consumables, tools, stores and spares	44 442	19 733
	<u>86 075 896</u>	<u>47 540 687</u>

During 2019 inventory was written down by R 255 478 (2018: 372 170) to their net realisable value.

6. Trade and other receivables		
Trade receivables	107 622 660	57 901 367
South African Revenue Service(VAT)	1 083 180	1 113 482
Other	126 748	353 221
	<u>108 832 588</u>	<u>59 368 070</u>

The carrying amount of the trade and other receivables is considered by the Directors to approximate its fair value.

There were no transfers between stages 1, 2 and 3 during the financial year.

Based on ageing and credit risk, the directors consider the ECL allowance to be insignificant.

7. Cash and cash equivalents		
Cash and cash equivalents	<u>1 481 891</u>	<u>640 985</u>
	<u>1 481 891</u>	<u>640 985</u>

Bank balances and cash comprise cash held by the company and short-term bank deposits with an original maturity of three months or less. The Directors consider the carrying amounts of these assets approximate their fair values.

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
8. Share Capital		
<i>Authorised</i>		
42 000 000 ordinary shares of R1 each	<u>42 000 000</u>	<u>42 000 000</u>
<i>Issued</i>		
19 837 000 ordinary share of R1 each	<u>19 837 000</u>	<u>19 837 000</u>
The unissued shares will remain under the control of Directors until issuance thereof.		
9. Shareholders' loans		
TML Holding Pte Limited	6 797 800	6 797 800
Tata Africa Holdings (SA) Proprietary Limited	4 532 000	4 532 000
	<u>11 329 800</u>	<u>11 329 800</u>
These loans are unsecured and Rand denominated, bear interest at Prime Interest Rate in SA and are repayable in May 2020. The carrying amount approximates fair value.		
10. Deferred taxation		
Opening balance	1 348 327	1 674 780
Provision / (release) for the year	<u>(140 060)</u>	<u>(326 453)</u>
Closing balance	<u>1 208 267</u>	<u>1 348 327</u>
Deferred taxation comprises:		
Depreciation/Wear & Tear	1 872 591	2 848 445
Provision	<u>(664 324)</u>	<u>(1 500 118)</u>
Deferred taxation liability	<u>1 208 267</u>	<u>1 348 327</u>

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
11. Deferred income		
Government Grant:		
Current	164 160	164 160
Non- current	1 969 926	2 134 086
	<u>2 134 086</u>	<u>2 298 246</u>

The government grants relate to EIP grants received of R3 447 366 relating to capital expenditure. The income release to the statement of profit or loss and other comprehensive income of R 164 160 (2018: R 164 160) is reflected in other income.

12. Trade and other payables

Trade payables	152 147 056	67 318 962
External	9 748 210	9 705 630
	<u>161 895 266</u>	<u>77 024 592</u>
Accrued interest on shareholder (note 22)	1 072 672	617 242
Payroll related accruals	1 089 158	1 096 711
Other payables	1 349 547	1 771 153
	<u>165 406 643</u>	<u>80 509 698</u>

Included above are amounts on account of interest on shareholders' loans to Tata Africa Holdings (SA) (Pty) Limited of R39 453 (2018: R269 809) and to TML Holdings Pte. Limited of R1 033 219 (2018: R347 433).

The Directors consider the carrying value of the trade and other payables to approximate their fair value due to the short maturity period of these financial instruments.

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
13. Provisions		
Opening balance	299 864	45 700
Provision raised during the year	<u>182 049</u>	<u>254 164</u>
Closing balance	<u>481 913</u>	<u>299 864</u>
The above pertains to warranty provision for possible assembly defects.		
14. Revenue		
Sale of vehicles	<u>286 478 551</u>	<u>204 694 160</u>
15. Profit from operations		
Profit from operations is arrived at after taking the following items into account:		
Audit fees		
- Current year	445 348	445 348
- Prior year under / (over) provision	<u>44 000</u>	<u>114 700</u>
	489 348	560 108
Depreciation and Amortization		
- Machinery	303 245	304 133
- Furniture and fittings	27 109	18 866
- Vehicles	21 037	21 037
- Equipment	723 731	752 712
- Leasehold improvement	470 280	461 986
- Intangible assets	-	-
	<u>1 545 402</u>	<u>1 558 734</u>
Assets scrapped	158 418	134 642
Consulting fees	1 668 791	1 653 184
Interest & Penalty SARS	132 794	-
Write down to net realisable value	255 478	372 170

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
15. Profit from operations (continued)		
Rental of :		
- Premises	2 095 354	3 026 327
- Vehicles	279 779	282 254
	<u>2 375 133</u>	<u>3 308 581</u>
Company's contribution to pension fund	939 083	1 462 549
Other staff costs	<u>18 072 753</u>	<u>16 460 225</u>
Total staff costs	19 011 836	17 922 774
16. Interest received		
Bank Interest	290 840	457 535
Interest income on revenue (from TACSA)	<u>1 510 047</u>	<u>-</u>
	1 800 887	457 535
17. Finance costs		
TML Holdings Pte Limited	457 111	701 943
Tata Africa Holdings (SA) Proprietary Limited	685 786	467 975
Interest cost on purchases (to TDCV)	<u>1 329 155</u>	<u>-</u>
	2 472 052	1 169 918
18. Taxation		
SA Normal income tax for the year		
Current taxation	1 382 046	1 586 520
Under /(over) provision prior year	137 174	-
Deferred taxation	(7 976)	(326 453)
Under /(over) provision prior year for Deferred taxation	<u>(132 084)</u>	<u>-</u>
	<u>1 379 160</u>	<u>1 260 067</u>
Reconciliation of South Africa tax rate		
SA normal tax rate	28%	28%
Permanent Differences		
- Interest and penalties	1%	-
- Depreciation on leasehold improvements	3%	-
- Amortisation of grant income	<u>-1%</u>	<u>-</u>
Effective rate	31%	28%

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements *(continued)*

for the year ended 31 March 2019

	2019 R	2018 R
19. Cash flows generated from from operations		
Profit before taxation	4 475 463	4 580 749
Adjustments for:		
Income from EIP grant	(164 160)	(164 160)
Assets scrapped	158 418	134 642
Finance charges	2 472 052	1 169 918
Depreciation	1 545 402	1 558 734
(Decrease)/Increase in provisions	182 049	254 164
Interest received	(1 800 887)	(457 535)
Write down to net realisable value	255 478	372 170
	<u>7 123 815</u>	<u>7 448 682</u>
Adjustments for working capital:		
Decrease / (Increase) in trade and other receivables	(49 464 518)	5 198 056
Increase / (Decrease) in trade and other payables	84 441 513	10 780 099
(Increase) / Decrease increase in inventories	(38 790 687)	(23 253 057)
	<u>3 310 123</u>	<u>173 781</u>
Cash flow generated from operations	<u>3 310 123</u>	<u>173 781</u>

20. Financial instruments - Risk management

20.1 Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stake holders through the optimisation of the debt and equity balances.

The company monitors capital on a basis of debt to equity. Debt comprises of interest bearing debt from shareholders. Equity comprises share capital and reserves

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements *(continued)*

for the year ended 31 March 2019

	2019 R	2018 R
20. Financial instruments - Risk management <i>(continued)</i>		
20.1 Capital risk management <i>(continued)</i>		
The gearing ratio at the year-end is as follows		
Debt	11 329 800	11 329 800
Cash and cash equivalents	(1 481 891)	(640 985)
Net Debt	9 847 909	10 688 815
Share capital	19 837 000	19 837 000
Retained Earnings	10 252 545	7 156 242
Shareholding equity	30 089 545	26 993 242
Gearing ratio	33%	40%

Tata Motors SA Proprietary Limited engages with the board of directors and shareholders to ensure the company is sufficiently funded.

20.2 Financial risk management

The company has exposure to the following risks arising from financial instruments:

- market risk (interest rate risk)
- credit risk
- liquidity risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board is responsible for developing and monitoring the company's risk management policies.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

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Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
20. Financial instruments - Risk management (continued)		
20.3 Interest rate risk		
<i>Profile</i>		
The company manages liquidity risk through the compilation and monitoring of cash flow forecast, as well as ensuring that adequate borrowing facilities and resources are maintained within the company.		
The interest rate risk profile of the interest bearing financial instruments was:		
<i>Variable rate instruments</i>		
Shareholders' loans		
- TML Holdings Pte Limited	6 797 800	6 797 800
- Tata Africa Holdings (SA) Proprietary Limited	4 532 000	4 532 000
	<u>11 329 800</u>	<u>11 329 800</u>
Cash and cash equivalents	<u>1 481 891</u>	<u>640 985</u>
<i>Sensitivity cash analysis</i>		
A reasonably possible change of 100 basis points in the interest rates on the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant		
	100 bp decrease	100 bp increase
2019		
Profit before taxation	<u>98 479</u>	<u>(98 479)</u>
2018		
Profit before taxation	<u>106 888</u>	<u>(106 888)</u>

20.4 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties verifying their credit worthiness by performing credit checks, as a means of mitigating the risk of financial loss from defaults. The vast majority of customers are related parties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

		2019	2018
		R	R
20. Financial instruments - Risk management (continued)			
20.4 Credit risk (continued)			
Financial assets exposed to credit risk at year end were as follows:			
	Note		
Trade and other receivables	6	108 832 588	59 368 070
Cash and cash equivalents	7	<u>1 481 891</u>	<u>640 985</u>

20.5 Liquidity risk

The responsibility for liquidity risk management rests with Tata Motors (SA) Proprietary Limited management and ultimately the Board of Directors. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by monitoring actual cash flows. Tata Motors (SA) Proprietary Limited engages with the Board and shareholders to ensure that the company has adequate funds to cover its commitments over the next twelve months

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

Financial liabilities at amortised cost	Note	Contractual cash flows		
		Total	1 Year	2 to 5 Years
2019				
Trade and other payables	12	165 406 643	153 555 407	11 851 236
Shareholder loans	9	<u>11 329 800</u>	-	<u>11 329 800</u>
2018				
Trade and other payables	12	80 509 699	80 509 699	-
Shareholder loans	9	<u>11 329 800</u>	-	<u>11 329 800</u>
Non-cancellable Operating Lease Commitments				
2019		3 560 786	2 653 793	906 993
2018		<u>6 753 337</u>	<u>2 907 688</u>	<u>3 845 649</u>

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Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
21. Guarantees		
The following bank guarantees exist with Standard Bank:	<u>1 420 000</u>	<u>1 420 000</u>
22. Related party transactions		
During the year, the company entered into the following transactions with related parties:		
<i>Tata Automobile Corporation (SA) (Pty) Limited</i> <i>Fellow Subsidiary</i>		
- Payment for expenses incurred for TMSA	(233 954)	(507 313)
- Purchase of spare parts	(196 216)	(124 120)
- Revenue for the sale of vehicles*	<u>291 144 939</u>	<u>192 653 160</u>
*Revenue for sale of the vehicles in 2019 represent the gross sale value which has been netted in our financials after removing the interest component of R 4 666 390 out of which R 1 510 047 was received in current financial year		
<i>Tata Africa Holdings (SA) (Pty) Limited</i> <i>Shareholder</i>		
- Rental of premises (note 15)	(2 457 216)	(2 275 200)
- Insurance premium paid on leased assets	(72 011)	(72 643)
- Interest on loan (note 17)	(457 111)	(467 976)
- Insurance claim received	-	55 265
- Roof repairs	<u>114 446</u>	<u>-</u>
<i>Tata Motors Limited</i> <i>Fellow Subsidiary</i>		
- Services rendered	11 769 391	47 687
- Supply of SKD kits	(156 303 874)	(135 683 093)
- IT chargeback	<u>(479 419)</u>	<u>(621 817)</u>
<i>Tata Daewoo Commercial Vehicle Company Limited</i> <i>Fellow Subsidiary</i>		
- Supply of SKD kits*	<u>(99 452 112)</u>	<u>(19 455 988)</u>

*Purchase from TDCV represents the gross value which has been netted in our financials after removing the interest component of R 4 446 219 out of which R 1 329 155 was paid in current financial year

<i>TML Holdings Pte. Limited</i> <i>Shareholder</i>		
- Interest on loan (note 17)	(685 786)	(701 943)

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

		2019 R	2018 R
22. Related party transactions (continued)			
During the year, the company entered into the following transactions with related parties:			
<i>Tata Technologies Limited</i>	<i>Fellow Subsidiary</i>		
- Services rendered		(540 000)	(540 000)
<i>Tata de Mocambique LDA</i>	<i>Fellow Subsidiary</i>		
- Revenue sale of vehicles		-	12 041 000
<i>Tata Sons Limited</i>	<i>Promoter of major companies within the Tata Group</i>		
- Brand equity		(235 551)	(241 092)
As at year end, the company had the following outstanding balances with related parties:			
<i>Tata Automobile Corporation (SA) (Pty) Limited</i>	<i>Fellow Subsidiary</i>		
- Trade receivables (note 6)*		110 779 003	57 901 367
- Trade payables (note 12)		82 941	422 632
* Receivable from TACSA includes the interest component of R 3 156 343			
<i>Tata Africa Holdings (SA) (Pty) Limited</i>	<i>Shareholder</i>		
- Accrued interest on shareholders' loans (note 17)		39 453	269 809
- Shareholders' loan (note 9)		4 532 000	4 532 000
<i>Tata Motors Limited</i>	<i>Fellow Subsidiary</i>		
- Trade payables (note 12)		50 366 917	47 109 250
<i>Tata Daewoo Commercial Vehicle Company Limited</i>	<i>Fellow Subsidiary</i>		
- Trade payables (note 12)*		104 552 747	19 455 988

* Payable to TDCV includes the interest component of R 3 137 064

Tata Motors (SA) Proprietary Limited

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

	2019 R	2018 R
22. Related party transactions (continued)		
As at year end, the company had the following outstanding balances with related parties:		
<i>TML Holdings Pte. Limited</i> <i>Shareholder</i>		
- Accrued interest on shareholders' loans (note 17)	1 033 219	347 433
- Shareholders' loan (note 9)	<u>6 797 800</u>	<u>6 797 800</u>
 <i>Tata Technologies Limited</i> <i>Fellow Subsidiary</i>		
- Payables for services rendered (note 15)	<u>45 000</u>	<u>90 000</u>
 <i>Tata Sons Limited</i> <i>Promoter of major companies within the Tata Group</i>		
- Brand equity	<u>(235 551)</u>	<u>(241 092)</u>

23. Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the normal course of business.

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Notes to Financial Statements (continued)

for the year ended 31 March 2019

24. Directors emoluments

	Basic	Company	Bonus	Total
	R	Contributions	R	R
		R		
2019				
Rakesh Lodha	302 096	-	118 312	420 408
Pranab Ghosh	2 031 109	-	169 576	2 200 685
Raj Kishore Jhawar	651 790	-	-	651 790
	<u>2 984 995</u>	<u>-</u>	<u>287 888</u>	<u>3 272 883</u>
2018				
Ashish Sharma	252 099	-	-	252 099
Rakesh Lodha	1 988 855	-	58 864	2 047 719
Pranab Ghosh	473 962	-	-	473 962
	<u>2 714 916</u>	<u>-</u>	<u>58 864</u>	<u>2 773 780</u>

All remuneration disclosed above was paid to prescribed officers in respect of services rendered as prescribed officers of the company for the financial year unless a prescribed officers resigned from or joined the company during the period.

25. Events after reporting period

There were no significant events that took place after the reporting period

