



# **Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**

**Consolidated Financial Statements and  
Independent Auditors' Report  
March 31, 2018**

# Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

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KPMG LLP  
New Jersey Headquarters  
51 John F. Kennedy Parkway  
Short Hills, NJ 07078-2702

## Independent Auditors' Report

To the Partners of  
Tata Chemicals (Soda Ash) Partners Holdings

We have audited the accompanying consolidated financial statements of Tata Chemicals (Soda Ash) Partners Holdings and its subsidiaries (a partnership operated by Tata Chemicals North America, Inc. and The Andover Group, Inc.) (the "Partnership"), which comprise the consolidated balance sheet as of March 31, 2018, and the related consolidated statements of income, comprehensive income, changes in partners' capital, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Opinion*

In our opinion, the 2018 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tata Chemicals (Soda Ash) Partners Holdings and its subsidiaries as of March 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



*Other Matter*

The accompanying consolidated financial statements of Tata Chemicals (Soda Ash) Partners Holdings and its subsidiaries as of March 31, 2017 and for the year then ended were audited by other auditors whose report thereon dated June 8, 2017, expressed an unmodified opinion on those financial statements.

*KPMG LLP*

Short Hills, New Jersey  
June 22, 2018

**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Consolidated Statements of Income**  
**For the Years Ended March 31, 2018 and 2017**

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	<b>2018</b>	<b>2017</b>
<i>(In thousands)</i>		
Net revenues	\$ 490,875	\$ 465,202
<b>Less</b>		
Cost of revenues	380,860	366,803
Selling, general and administrative expense	22,281	18,664
Unrealized loss (gain) on natural gas futures (Note 8)	1,932	(753)
Interest income, net	(211)	(45)
Other (income) expense, net (Note 6)	<u>(129)</u>	<u>1,056</u>
Net income	86,142	79,477
Net income attributable to noncontrolling interest	<u>8,928</u>	<u>8,480</u>
Net income attributable to Tata Chemicals (Soda Ash) Partners Holdings and subsidiaries	<u>\$ 77,214</u>	<u>\$ 70,997</u>

See notes to consolidated financial statements.

**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended March 31, 2018 and 2017**

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	<b>2018</b>	<b>2017</b>
<i>(In thousands)</i>		
Net income	\$ 86,142	\$ 79,477
Other comprehensive income:		
Defined benefit plan adjustments (Note 10)	<u>13,164</u>	<u>9,805</u>
Comprehensive income	99,306	89,282
Less: Comprehensive income attributable to the noncontrolling interest	<u>8,928</u>	<u>8,480</u>
Comprehensive income attributable to Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries	<u>\$ 90,378</u>	<u>\$ 80,802</u>

See notes to consolidated financial statements.

**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Consolidated Balance Sheets**  
**As of March 31, 2018 and 2017**

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	2018	2017
<i>(In thousands)</i>		
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 31,636	\$ 14,401
Receivables, net of allowance for doubtful accounts of \$298 and \$457 (Note 14)	82,229	75,985
Receivables due from TCNA (Note 14)	8,143	10,512
Inventories (Note 4)	16,920	16,275
Prepaid royalties and other current assets	<u>8,327</u>	<u>14,942</u>
Total current assets	147,255	132,115
Property, plant and equipment—net (Note 5)	190,708	175,487
Other assets	<u>11,423</u>	<u>11,006</u>
Total assets	<u>\$ 349,386</u>	<u>\$ 318,608</u>
<b>Liabilities and Partners' Capital</b>		
Current liabilities		
Accounts payable	\$ 34,657	\$ 36,037
Accrued liabilities (Note 7)	<u>22,566</u>	<u>19,112</u>
Total current liabilities	57,223	55,149
Long-term liabilities (Note 9)	<u>91,065</u>	<u>98,739</u>
Total liabilities	148,288	153,888
Commitments and contingencies (Note 12)		
Partners' capital	<u>201,098</u>	<u>164,720</u>
Total liabilities and partners' capital	<u>\$ 349,386</u>	<u>\$ 318,608</u>

See notes to consolidated financial statements.

**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended March 31, 2018 and 2017**

	2018	2017
<i>(In thousands)</i>		
<b>Cash flows from operating activities</b>		
Net income	\$ 86,142	\$ 79,477
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	18,348	16,266
Bad debt (income) expense	(159)	267
Loss on sale of assets	159	158
Accretion of asset retirement obligation	1,010	965
Other expense - joint venture	296	549
Unrealized loss (gain) on natural gas futures	1,932	(753)
Changes in assets and liabilities:		
(Increase) decrease in receivables	(6,085)	4,472
Decrease (increase) in receivable due from related party	2,369	(90)
(Increase) decrease in inventories	(645)	477
Decrease in prepaid royalties and other current assets	6,615	3,347
(Increase) in other assets	(417)	(1,055)
Increase (decrease) in accounts payable	1,777	(1,958)
Increase in accrued liabilities	1,534	44
Increase in long-term liabilities	4,480	4,944
Net cash provided by operating activities	<u>117,356</u>	<u>107,110</u>
<b>Cash flows used in investing activities</b>		
Capital expenditures	(36,795)	(37,604)
Additional contributions to joint venture (Note 6)	(386)	(534)
Net cash used in investing activities	<u>(37,181)</u>	<u>(38,138)</u>
<b>Cash flows used in financing activities</b>		
Repayments of capital lease obligations	(12)	(11)
Dividends	(54,000)	(55,000)
Cash distributions to noncontrolling interest	(8,928)	(8,480)
Net cash used in financing activities	<u>(62,940)</u>	<u>(63,491)</u>
Net change in cash and cash equivalents	17,235	5,481
<b>Cash and cash equivalents</b>		
Beginning of year	14,401	8,920
End of year	<u>\$ 31,636</u>	<u>\$ 14,401</u>
<b>Non-cash investing activities</b>		
Accounts payable and accrued liabilities incurred to acquire property and equipment	\$ 7,718	\$ 10,785
Accrued liability related to Natronx railcar leases (Note 6)	\$ (52)	\$ (58)

See notes to consolidated financial statements.



**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Consolidated Statements of Changes in Partners' Capital**  
**As of and For the Years Ended March 31, 2018 and 2017**

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<i>(In thousands)</i>	Individual Partners' Capital Accounts		Noncontrolling Interest	Total
	TCNA	Andover		
<b>Partners' capital, March 31, 2016</b>	\$ 104,326	\$ 34,592	\$ -	\$ 138,918
Net income	53,248	17,749	8,480	79,477
Dividends	(41,250)	(13,750)	-	(55,000)
Distribution to noncontrolling interest	-	-	(8,480)	(8,480)
Other comprehensive income	<u>7,354</u>	<u>2,451</u>	<u>-</u>	<u>9,805</u>
<b>Partners' capital, March 31, 2017</b>	123,678	41,042	-	164,720
Net income	57,911	19,304	8,928	86,142
Dividends	(40,500)	(13,500)	-	(54,000)
Distribution to noncontrolling interest	-	-	(8,928)	(8,928)
Other comprehensive income	<u>9,873</u>	<u>3,291</u>	<u>-</u>	<u>13,164</u>
<b>Partners' capital, March 31, 2018</b>	<u>\$ 150,962</u>	<u>\$ 50,137</u>	<u>\$ -</u>	<u>\$ 201,098</u>

See notes to consolidated financial statements.

# **Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **As of and For the Years Ended March 31, 2018 and 2017**

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*(In thousands)*

#### **1. Basis of Presentation**

##### **Description of Business**

Tata Chemicals (Soda Ash) Partners Holdings and its Subsidiaries (collectively, "TCSAP Holdings" or the "Partnership" or the "Company") operates a facility in Green River, Wyoming for the purpose of mining and processing trona ore and selling the resulting finished product (soda ash). TCSAP Holdings supplies soda ash to a broad range of industrial customers primarily in the glass production, sodium-based chemicals, detergents, pulp and paper, and water treatment markets. TCSAP Holdings is a partnership of which 75% is owned by Tata Chemicals North America Inc. and Subsidiaries ("TCNA") and 25% is owned by Andover Group, Inc., an indirect wholly owned subsidiary of Owens-Illinois.

For the purposes of these consolidated financial statements, fiscal 2018 is defined as the year ended March 31, 2018 and fiscal 2017 is defined as the year ended March 31, 2017.

#### **2. Summary of Significant Accounting Policies**

##### **Basis of Consolidation**

The accompanying consolidated financial statements reflect the results of operations and financial position of the Company, including one separate sub-partnership, ALCAD. Both the Partnership and Church & Dwight Co., Inc. ("C&D") each have a 50% interest in ALCAD. The Partnership consolidates this sub-partnership as it has the ability to exercise control over the most significant activities of ALCAD, and thus have concluded they are the primary beneficiary of this variable interest entity (see Note 13). The portion of ALCAD that is not owned is reflected as noncontrolling interest in the accompanying consolidated financial statements. All intercompany balances and transactions have been eliminated.

##### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the useful lives of assets, assumptions related to pension and postretirement obligations and the estimated asset retirement obligation. Actual results could differ from those estimates.

##### **Receivables and Allowance for Doubtful Accounts**

Accounts receivable are recorded at the invoiced amount and do not bear interest. Management reviews a customer's credit history before extending credit. The Company records a provision for estimated losses based upon the inability of its customers to make required payments using historical experience. Additionally, the Company will establish a specific allowance for doubtful accounts when it becomes aware of a specific customer's inability or unwillingness to meet its financial obligations (e.g., bankruptcy filing).

# **Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **As of and For the Years Ended March 31, 2018 and 2017**

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(In thousands)

#### **Income Taxes**

The consolidated financial statements contain no provision or liability for income taxes because the results of the Partnership's operations are included in the taxable income of its partners.

#### **Fair Value of Financial Instruments**

The estimated fair value of the Partnership's receivables, accounts payable and accrued liabilities approximate their carrying value due to the short-term nature of the instruments.

#### **Derivative Financial Instruments**

Derivative financial instruments are used to mitigate natural gas purchase price exposure. All contracts are marked-to-market and changes in value are recognized within cost of revenues in the period incurred. The Partnership does not hold or issue derivative instruments for trading purposes.

#### **Royalties**

Trona reserves are mined pursuant to lease arrangements with various land owners. Such arrangements generally provide for royalty payments based on the selling price of soda ash. Royalties are included as a component of cost of revenues.

#### **Cash and Cash Equivalents**

The Partnership's cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less. The Partnership maintains cash and cash equivalents in bank deposit and money market accounts that may exceed federally insured limits. The financial institutions where the Partnership's cash and cash equivalents are held are generally highly rated. The Company has not experienced any losses in such accounts and believes it is not exposed to significant credit risk.

#### **Inventory**

Inventory is stated at the lower of cost or net realizable value, with cost being determined using the average cost method. Production inventory costs include material, labor, and factory overhead. The Partnership provides inventory allowances based on excess and obsolete inventories determined primarily by future demand forecasts.

#### **Property, Plant and Equipment**

Mines and quarries and certain machinery and equipment placed in service prior to 2014 are depreciated using the units-of-production method. Other property, plant and equipment are carried at cost and are depreciated using the straight-line method, using estimated lives which range from 2 to 50 years. Maintenance and repair costs are charged to expense as incurred. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and a resulting gain or loss is reported as income or expense.

#### **Impairment of Long-Lived Assets**

Management evaluates the need to recognize impairment losses relating to long-lived assets in accordance with FASB ASC Topic 360, *Property, Plant and Equipment*. Long-lived assets are evaluated for recoverability whenever events or changes in circumstances indicate that an asset may

# **Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **As of and For the Years Ended March 31, 2018 and 2017**

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*(In thousands)*

have been impaired. In evaluating an asset for recoverability, the Partnership estimates the future undiscounted cash flows expected to result from the use of the asset and eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of the asset, management writes the asset down to fair value and records impairment charges, accordingly. The estimation of fair value is measured by discounting expected future cash flows. The recoverability assessment related to long-lived assets requires judgments and estimates of future revenues, gross margin rates and operating expenses. The Partnership bases these estimates upon its past and expected future performance. The Partnership believes its estimates are appropriate in light of current market conditions. However, future impairment charges could be required for certain long-lived assets if the Partnership does not achieve its current revenue or cash flow projections.

#### **Asset Retirement Obligations**

The Partnership provides for the expected costs to be incurred for the eventual reclamation of properties pursuant to local law. Reclamation costs are being accrued in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations*. The Partnership accounts for its land reclamation liability as an asset retirement obligation, which requires that obligations associated with the retirement of a tangible long-lived asset be recorded as a liability when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon initially recognizing a liability for an asset retirement obligation, an entity must capitalize the cost by recognizing an increase in the carrying amount of the related long-lived asset. Over time, the liability is accreted to its future value each period, and the capitalized cost is depreciated over the estimated useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

#### **Revenue Recognition**

The Partnership recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. Delivery has occurred when title and risk of loss has passed to the customer consistent with the related shipping terms, generally at the time products are shipped. Included in net revenues and cost of revenues are related shipping and handling fees and costs.

#### **Employee Medical Benefits**

The Partnership is self-insured for expenses relating to employee medical benefits. All employees have an option to participate in the Partnership's self-funded comprehensive medical care benefits program. The cost of medical care is paid out of employee and employer contributions. The Partnership has purchased stop-loss coverage in order to limit its exposure to any significant individual medical claims. Self-insured medical costs are accrued based upon actuarial assumptions and the Partnership's historical experience.

#### **Environmental Matters**

The Partnership is subject to extensive federal, state, and local environmental laws and regulations. These laws, which change frequently, regulate or propose to regulate the discharge of materials into the environment and may require the Partnership to remove or mitigate the environmental effects of the disposal or release of such substances. Environmental expenditures, which can include fines, penalties and certain corrective actions are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures are recorded when

# Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

## Notes to Consolidated Financial Statements

### As of and For the Years Ended March 31, 2018 and 2017

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(In thousands)

environmental assessment and/or remediation is probable, and the costs can be reasonably estimated.

#### Noncontrolling Interest

The Partnership accounts for the noncontrolling interest in ALCAD under FASB ASC 810, *Consolidation*, which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This guidance clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. This guidance also requires presentation on the face of the consolidated statement of income of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest.

#### Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09 (“ASU 2014-09”), *Revenue from Contracts with Customers* (Topic 606). This ASU supersedes the revenue recognition requirements in “Revenue Recognition (Topic 605),” and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The provisions of ASU 2014-09 are effective for annual periods beginning after December 15, 2018, and are to be applied either retrospectively or by the modified retrospective method. We are currently evaluating the effect that this ASU will have on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (“ASU 2016-02”) which includes a lessee accounting model that recognizes two types of leases—finance leases and operating leases. The standard requires that a lessee recognize on the balance sheet assets and liabilities for leases with lease terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will depend on its classification as finance or operating lease. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. We are currently evaluating the effect that this ASU will have on our consolidated financial statements.

In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* (“ASU 2016-08”), that clarifies that an entity is a principal when it controls the specified good or service before that good or service is transferred to the customer, and is an agent when it does not control the specified good or service before it is transferred to the customer. The effective date for this Update is the same as the effective date of Update 2014-09 (Revenue from Contracts with Customers (Topic 606)). We are currently evaluating the effect that this ASU will have on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The new guidance requires companies with sponsored defined benefit pension and/or other postretirement benefit plans to present the service cost component of net periodic benefit cost in the same income statement line item as other compensation costs. The other components of net periodic benefit cost will be presented separately and not included in operating income. In addition, only service costs are eligible to be capitalized as an asset. The standard will be effective for fiscal years

**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**As of and For the Years Ended March 31, 2018 and 2017**

(In thousands)

beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, and the guidance will generally be applied retroactively, whereas the capitalization of the service cost component will be applied prospectively. Early adoption is permitted if all of the amendments are adopted in the same period. If an entity early adopts the guidance in an interim period, any adjustments must be reflected as of the beginning of the fiscal year that includes that interim period. The new guidance will result in reclassification and changes in presentation in our statements of income.

**3. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. The Partnership makes certain assumptions it believes that market participants would use in pricing assets or liabilities, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. Credit risk of the Partnership and its counterparties is incorporated in the valuation of assets and liabilities through the use of credit reserves, the impact of which is immaterial for the years ended March 31, 2018 and 2017. The Partnership believes it uses valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

The Partnership uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

The Partnership's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments. The Company's derivative assets and liabilities include commodity futures contracts.

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2018:

	<b>Fair Value Measurements</b>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Assets—cash and cash equivalents	\$ 31,636	\$ -	\$ 31,636
Total	<u>\$ 31,636</u>	<u>\$ -</u>	<u>\$ 31,636</u>
Liabilities—natural gas futures	\$ -	\$ 2,323	\$ 2,323
Total	<u>\$ -</u>	<u>\$ 2,323</u>	<u>\$ 2,323</u>

**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**As of and For the Years Ended March 31, 2018 and 2017**

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(In thousands)

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2017:

	<b>Fair Value Measurements</b>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Assets—cash and cash equivalents	\$ 14,401	\$ -	\$ 14,401
Total	<u>\$ 14,401</u>	<u>\$ -</u>	<u>\$ 14,401</u>
Liabilities—natural gas futures	\$ -	\$ 391	\$ 391
Total	<u>\$ -</u>	<u>\$ 391</u>	<u>\$ 391</u>

**Cash and Cash Equivalents**

Cash equivalents include investments with maturities of three months or less when purchased. The cash equivalents shown in the fair value table are comprised of investments in money market funds. The fair values of the shares of these funds are based on observable market prices and, therefore, have been categorized as Level 1 in the fair value hierarchy.

**Commodity Futures Contracts**

The inputs used in valuing natural gas futures are other than quoted prices in active markets that are either directly or indirectly observable over the terms of the instruments the Partnership holds, and accordingly, the Partnership classifies these net derivative liabilities as Level 2.

**4. Inventories**

The components of inventories as of March 31, 2018 and 2017 are comprised of the following:

	<b>2018</b>	<b>2017</b>
Raw material	\$ 9,889	\$ 8,515
Work in process	100	100
Finished products	<u>6,931</u>	<u>7,660</u>
	<u>\$ 16,920</u>	<u>\$ 16,275</u>

**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**As of and For the Years Ended March 31, 2018 and 2017**

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(In thousands)

**5. Property, Plant and Equipment**

Property, plant and equipment as of March 31, 2018 and 2017 are comprised of the following:

	2018	2017
Land and improvements	\$ 58,754	\$ 53,909
Machinery and equipment	329,694	303,353
Buildings and leasehold improvements	55,104	49,683
Mines and quarries	28,842	28,753
Construction in progress	<u>10,199</u>	<u>18,122</u>
	482,593	453,820
Less accumulated depreciation	<u>292,179</u>	<u>278,676</u>
	<u>\$ 190,414</u>	<u>\$ 175,144</u>

For the years ended March 31, 2018 and 2017, the Partnership recognized \$18,299 and \$16,217 of depreciation expense, respectively.

**6. Investment in Joint Venture**

Effective August 23, 2011, the Partnership, together with Tronox Corporation and Church and Dwight Co. Inc., has a one-third partnership interest in Natronx Technologies, LLC ("Natronx"). Natronx was formed for the development, commercialization, production, marketing, sale or distribution of dry injection sodium products for dry injection acid gas scrubbing markets. The Partnership accounts for Natronx under the equity method. Natronx started business during the third quarter 2012. The Partnership recorded a \$19,905 impairment charge associated with this investment during the year ended March 31, 2015 due to significant uncertainty surrounding the completion of the manufacturing facility and an estimated decrease in future market demand. The Board of Directors of Natronx approved the termination of the Natronx business operations in March 2016 and Natronx exited the business during the second quarter of 2017. During 2018 and 2017, the Partnership has recorded additional contributions of \$386 and \$534, respectively. During 2016, the Partnership also recorded a rail car lease liability of \$897 to other (income) expense-net in the income statement. During 2018 and 2017, the Partnership made payments of \$565 and \$145, respectively and adjustments to the liability of \$(52) and \$(58), respectively, which were recorded to other (income) expense-net in the income statement. As of March 31, 2018 and 2017 the rail car lease liability is \$78 and \$695, respectively. The rail car lease liability represents the Company's share of rail car lease cost beyond the exit date of the business. As of March 31, 2018 and 2017, the investment in Natronx is valued at \$0.



**Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**As of and For the Years Ended March 31, 2018 and 2017**

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(In thousands)

**7. Accrued Liabilities**

Accrued liabilities as of March 31, 2018 and 2017 are comprised of the following:

	<b>2018</b>	<b>2017</b>
Wages, salaries and benefits	\$ 7,341	\$ 6,349
Property, production and other taxes	9,198	8,723
Natural gas futures	2,323	391
Other	<u>3,704</u>	<u>3,649</u>
	<u>\$ 22,566</u>	<u>\$ 19,112</u>

**8. Commodity Futures Contracts**

The Partnership enters into commodity futures contracts related to forecasted natural gas requirements that are used in the manufacturing process of its products, the objectives of which are to limit the effects of fluctuations in the future market price paid for natural gas and the related volatility in cash flows. The maturities of the contracts are timed to coincide with the expected usage requirement over that period.

For the years ended March 31, 2018 and 2017, the Partnership reported a loss of \$1,932 and a gain of \$753, respectively, in the consolidated statements of income. Liabilities associated with the commodity futures contracts of \$2,323 and \$391 are included within accrued liabilities in the balance sheets at March 31, 2018 and 2017, respectively. As of March 31, 2018, the notional amounts of the natural gas futures are \$16,234 expiring by December 2020.

**9. Long-Term Liabilities**

Long-term liabilities as of March 31, 2018 and 2017 are comprised of the following:

	<b>2018</b>	<b>2017</b>
Accrued other postretirement benefits	\$ 17,949	\$ 27,951
Accrued pension obligations	44,513	43,656
Asset retirement obligation	22,798	21,788
Accrued other	<u>5,805</u>	<u>5,344</u>
	<u>\$ 91,065</u>	<u>\$ 98,739</u>

**10. Pension Plans and Other Postretirement Benefits**

The Partnership maintains two defined benefit pension plans covering substantially all employees. All participating employees' annual postretirement pension benefits are determined by the employee's credited service and final average annual earnings with the Partnership. The Partnership's funding policy for both plans is to annually contribute the statutorily required minimum amount actuarially determined. The vesting requirement is five years. The Partnership also maintains several plans providing other postretirement benefits covering substantially all hourly and certain salaried employees. The Partnership funds these benefits on a pay-as-you-go basis. The accumulated benefit

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obligation for all defined benefit plans was \$140,628 and \$158,185 as of March 31, 2018 and 2017, respectively.

The Partnership reduced the benefit obligation and recorded a past service credit due to a plan amendment of \$11,820 during 2018 to reflect a benefit change to its other post-retirement benefits plan. Beginning on January 2, 2018, all current and future hourly retirees, hired prior to July 1, 2017, will receive a fixed employer-paid contribution to a Health Reimbursement Account (“HRA”) upon reaching Medicare eligibility in lieu of the prior group medical plan offered to the group. HRA contributions will be approximately \$2 per participant per year or \$4 per participant per year if spouse is covered.

During 2018, the Partnership also recorded a net transfer out of \$27,191 of pension benefit obligation and a net transfer out of \$27,331 of plan assets as the plans were amended effective December 1, 2017. The objective of this asset and liability transfer is to consolidate benefits for participants with accrued benefits in two or more plans with the Partnership or with Tata Chemicals North America Inc. (“TCNA”), its controlling partner. Following the transfer, each participant now only has an accrued benefit in one single plan.

The Partnership recorded adjustments to other comprehensive income of \$13,164 and \$9,805 for the years ended March 31, 2018 and 2017, respectively.

	Pension Benefits		Other Postretirement Benefits	
	2018	2017	2018	2017
<b>Components of net periodic benefit cost</b>				
Service cost	\$ 4,836	\$ 4,891	\$ 359	\$ 400
Interest cost	7,235	7,019	1,005	1,224
Expected return on plan assets	(8,161)	(7,848)	-	-
Prior service (credit) cost	174	111	(330)	145
Amortization of losses	2,445	3,134	272	212
Net periodic benefit cost	<u>\$ 6,529</u>	<u>\$ 7,307</u>	<u>\$ 1,306</u>	<u>\$ 1,981</u>
<b>Change in benefit obligation</b>				
Benefit obligation—beginning of year	\$ 169,438	\$ 166,304	\$ 29,173	\$ 30,077
Service cost	4,836	4,891	359	400
Interest cost	7,235	7,019	1,005	1,224
Plan amendments	-	930	(11,820)	-
Net Transfer In/(Out)	(27,191)	-	-	-
Actuarial loss (gain)	3,328	(3,536)	1,637	(1,014)
Benefits paid	(5,758)	(6,170)	(1,287)	(1,649)
Retiree drug subsidy	-	-	217	135
Benefit obligation—end of year	<u>\$ 151,888</u>	<u>\$ 169,438</u>	<u>\$ 19,284</u>	<u>\$ 29,173</u>
<b>Change in plan assets</b>				
Fair value of assets—beginning of year	\$ 125,782	\$ 119,399	\$ -	\$ -
Actual return on plan assets	12,049	10,430	-	-
Employer contributions	2,633	2,123	1,287	1,649
Net Transfer In/(Out)	(27,331)	-	-	-
Benefits paid	(5,758)	(6,170)	(1,287)	(1,649)
Fair value of assets—end of year	<u>\$ 107,375</u>	<u>\$ 125,782</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of funded status</b>				
Funded status	\$ (44,513)	\$ (43,656)	\$ (19,284)	\$ (29,173)
Net liability amount recognized	<u>\$ (44,513)</u>	<u>\$ (43,656)</u>	<u>\$ (19,284)</u>	<u>\$ (29,173)</u>

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The estimated net actuarial loss and prior service cost for the pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost for the year ended March 31, 2019 are \$2,560 and \$174, respectively.

The estimated net actuarial loss and prior service credit for the postretirement plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost for the year ending March 31, 2019 are \$302 and \$(798), respectively.

The amounts recognized in partners' capital accounts as of March 31, 2018 and 2017 are summarized below:

	<b>Pension Benefits</b>		<b>Other Postretirement Benefits</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Prior service cost (credit)	\$ 1,212	\$ 1,386	\$ (11,410)	\$ 80
Net actuarial loss	<u>46,391</u>	<u>49,257</u>	<u>6,537</u>	<u>5,172</u>
Total	<u>\$ 47,603</u>	<u>\$ 50,643</u>	<u>\$ (4,873)</u>	<u>\$ 5,252</u>

The amounts recognized in other comprehensive income during the years ended March 31, 2018 and 2017 are summarized below:

	<b>Pension Benefits</b>		<b>Benefits</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net actuarial loss (gain)	\$ (421)	\$ (6,119)	\$ 1,637	\$ (1,014)
Prior service cost (credit)	-	930	(11,820)	-
Amortization:				
Net actuarial gain (loss)	(2,445)	(3,134)	(272)	(212)
Prior service credit (cost)	<u>(174)</u>	<u>(111)</u>	<u>330</u>	<u>(145)</u>
Total recognized in other comprehensive income (loss)	<u>\$ (3,040)</u>	<u>\$ (8,434)</u>	<u>\$ (10,125)</u>	<u>\$ (1,371)</u>

The amounts recognized in the consolidated balance sheets as of March 31, 2018 and 2017 are summarized below:

	<b>Pension Benefits</b>		<b>Other Postretirement Benefits</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Current liabilities	\$ -	\$ -	\$ (1,335)	\$ (1,222)
Noncurrent liabilities	<u>(44,513)</u>	<u>(43,656)</u>	<u>(17,949)</u>	<u>(27,951)</u>
Net liability at end of year	<u>\$ (44,513)</u>	<u>\$ (43,656)</u>	<u>\$ (19,284)</u>	<u>\$ (29,173)</u>

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**Assumptions**

The weighted-average assumptions used to determine the benefit obligation for the years ended March 31, 2018 and 2017 were as follows:

	<b>Pension Benefits</b>		<b>Benefits</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Discount rate	4.15 %	4.34 %	4.06 %	4.25 %
Rate of compensation increase	4.5%–9.0%	4.5%–9.0%	N/A	N/A

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2018 and 2017 were as follows:

	<b>Pension Benefits</b>		<b>Other Postretirement Benefits</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Discount rate	4.34 %	4.30 %	4.25 %	4.18 %
Expected long-term return on plan assets	6.50 %	6.50 %	N/A	N/A
Rate of compensation increase	4.5%–9.0%	4.5%–9.0%	N/A	N/A

The discount rate for each plan is determined by discounting the plan's expected future benefit payments using a yield curve developed from high quality bonds as of the measurement date. The discount rate is the single rate that, when used to discount the expected future benefit payments, will give the same result as the yield curve calculation.

To determine the expected long-term rate of return on plan assets, the Partnership considers the current and expected asset allocation, as well as historical and expected returns on each plan asset class.

Assumed health care costs trend rates as of March 31, 2018 and 2017 are as follows:

	<b>2018</b>	<b>2017</b>
Health care cost trend rate assumed for next year	7.50 %	7.75 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0 %	5.0 %
Year that the rate reaches the ultimate trend rate	2027	2027

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Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	<b>One- Percentage Point Increase</b>	<b>One- Percentage Point Decrease</b>
Effect on total of service and interest cost	\$ 9	\$ (12)
Effect on postretirement benefit obligation	47	(45)

The date used to measure plan assets and liabilities was March 31, 2018 and 2017, for all plans.

**Plan Assets**

The assets of the Partnership's defined benefit pension plans are managed on a commingled basis in a master trust. The investment policy and allocation of the assets in the master trust were approved by the Partnership's investment committee, which has oversight responsibility for the Partnership's retirement plans.

The following details the asset categories including allocations for the pension plan as of March 31, 2018 and 2017:

	<b>2018</b>		<b>2017</b>	
	<b>Actual Allocation</b>	<b>Target Allocation</b>	<b>Actual Allocation</b>	<b>Target Allocation</b>
<b>Asset Category</b>				
Equity securities	50 %	51 %	51 %	51 %
Debt securities	45 %	45 %	44 %	45 %
Other	5 %	4 %	5 %	4 %

The pension fund assets are invested in accordance with the statement of investment policies and procedures adopted by the Partnership, which are reviewed annually. Pension fund assets are invested on a going-concern basis with the primary objective of providing reasonable rates of return consistent with available market opportunities, a quality standard of investment, and moderate levels of risk. The expected rate of return is expected to be 6.5% over rolling 30 year periods. This expected rate of return is estimated upon an analysis of historical returns with consideration for the current economic environment.

**Contributions**

The Partnership expects to contribute \$7,143 to its pension plan and \$1,335 to its other postretirement benefit plan for the year ending March 31, 2019.

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**Estimated Future Benefit Payments**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<b>Years ending March 31</b>	<b>Benefits</b>	<b>Benefits</b>
2019	\$ 5,069	\$ 1,335
2020	5,608	1,329
2021	6,138	1,316
2022	6,619	1,312
2023	7,132	1,341
2024–2028	41,845	5,923

**Fair Values**

The fair values of the Partnership's plan assets as of March 31, 2018, by asset category are as follows:

	<u><b>Level 1</b></u>	<u><b>Level 2</b></u>	<u><b>Level 3</b></u>	<u><b>Total</b></u>
<b>Asset category:</b>				
Cash and cash equivalents	\$ -	1,065	\$ -	\$ 1,065
Fixed income securities	8,562	39,849	-	48,411
Equity securities	-	53,479	-	53,479
Futures contracts	68	-	-	68
Real estate	-	4,302	-	4,302
Private equity	-	-	50	50
Total	<u>\$ 8,630</u>	<u>\$ 98,695</u>	<u>\$ 50</u>	<u>\$ 107,375</u>

The following table provides further details of Level 3 fair value measurements:

	<u><b>Private Equity</b></u>
Beginning balance—April 1, 2017	\$ 334
Total realized/unrealized gains (losses)	14
Purchases, sales, transfers and settlements	<u>(298)</u>
Ending balance—March 31, 2018	<u>\$ 50</u>

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The fair values of the Partnership's plan assets as of March 31, 2017, by asset category are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Asset category:</b>				
Cash and cash equivalents	\$ 150	532	\$ -	\$ 682
Fixed income securities	11,280	44,412	-	55,692
Equity securities	-	64,012	-	64,012
Futures contracts	8	-	-	8
Real estate	-	5,054	-	5,054
Private equity	-	-	334	334
Total	<u>\$ 11,438</u>	<u>\$ 114,010</u>	<u>\$ 334</u>	<u>\$ 125,782</u>

The following table provides further details of Level 3 fair value measurements:

	<b><u>Private Equity</u></b>
Beginning balance—April 1, 2016	\$ 441
Total realized/unrealized gains (losses)	(13)
Purchases, sales and settlements	<u>(94)</u>
Ending balance—March 31, 2017	<u>\$ 334</u>

**Valuation**

Cash and cash equivalents are held in a commingled fund utilizing various underlying pricing sources.

Fixed income securities are primarily valued using a market approach utilizing various underlying pricing sources and methodologies.

Equity securities, exchange traded equity funds and real estate are valued using a market approach based on quoted market prices for individual instruments within each respective fund.

Private equity investments for which readily determinable prices do not exist are valued using either the market or income approach by the general partner. In establishing the estimated fair value the following are taken into consideration: a reasonable time for liquidation of the investment, the financial condition and operating results of the underlying portfolio company, the nature of the investment, restriction on marketability, market conditions and other factors the general partner deems appropriate.

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**Other Defined Contribution Plans**

The Partnership also sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. The Partnership matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate. The Partnership's contribution to these plans was \$478 and \$423 for the years ended March 31, 2018 and 2017, respectively.

**11. Asset Retirement Obligation**

The Partnership provides for the expected costs to be incurred for the eventual reclamation of mining properties pursuant to local law. Included in long-term liabilities as of March 31, 2018 and 2017 was \$22,798 and \$21,788, respectively, related to these asset retirement obligations. The changes in the carrying amounts of the asset retirement obligations which are included in Long term liabilities for the years ending March 31, 2018 and 2017 are as follows:

	<b>2018</b>	<b>2017</b>
Balance—beginning of year	\$ 21,788	\$ 20,823
Additions	-	-
Accretion expense	<u>1,010</u>	<u>965</u>
Balance—end of year	<u>\$ 22,798</u>	<u>\$ 21,788</u>

**12. Commitments and Contingencies**

The Partnership has capital and operating leases that expire on various dates through 2023. Minimum annual rental commitments for such leases as of March 31, 2018 are as follows:

	<b>Capital Leases</b>	<b>Operating Leases</b>
<b>Years ending March 31</b>		
2019	\$ 5	\$ 10,219
2020	-	7,025
2021	-	4,763
2022	-	2,630
2023	-	1,836
Thereafter	<u>-</u>	<u>-</u>
Total minimum payments	5	<u>\$ 26,473</u>
Less amount representing interest (interest imputed at a rate of 3.25%)	<u>-</u>	
Present value of minimum capital lease payments	5	
Less current portion of capital lease obligation	<u>(5)</u>	
Capital lease obligation, less current portion	<u>\$ -</u>	



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Total rent expense for the years ended March 31, 2018 and 2017 was \$13,587 and \$14,023, respectively.

The Partnership is involved in certain claims, litigation, administrative proceedings and investigations relative to environmental and other matters. Although the amount of any ultimate liability which could arise with respect to these matters cannot be accurately predicted, it is the opinion of management, based upon currently available information and the accruals established that any such liability will not have a material adverse effect on the Partnership's financial condition, results of operations or cash flows.

**13. Variable Interest Entity (VIE)**

The consolidated financial statements include a variable interest entity ("VIE"), ALCAD, for which the Partnership is the primary beneficiary.

ALCAD is an equally-owned joint venture between the Partnership and Church & Dwight, Inc. ("C&D") (collectively, the "Partners"). The significant activities of ALCAD include (a) managing trona reserves contributed to it by the Partners, (b) extraction of trona for conversion into soda ash (which ALCAD has outsourced to the Partnership) and (c) distribution of soda ash (which ALCAD has agreed to provide solely to C&D). The Partnership was determined to be the primary beneficiary of ALCAD as it has control over the most significant activities of ALCAD which have been determined to be the managing of the trona reserves and extraction of trona and ultimate conversion to soda ash. The Partnership has the obligation to absorb losses and the right to receive benefits from ALCAD that could be significant to ALCAD.

During the years ended March 31, 2018 and 2017, this VIE earned income of \$17,855 and \$16,960, respectively, under the contractual arrangements with the Partners, 50% of which was recorded as net income attributable to noncontrolling interests in the consolidated statements of income.

The liabilities recognized as a result of consolidating the VIE do not necessarily represent additional claims on the general assets of the Partnership outside of the VIE; rather, they represent claims against the specific assets of the consolidated VIE. Conversely, assets recognized as a result of consolidating the VIE do not necessarily represent additional assets that could be used to satisfy claims against the Partnership's general assets. There are no restrictions on the VIE assets that are reported in the Partnership's general assets. The total consolidated VIE assets and liabilities reflected in the Partnership's consolidated balance sheets are as follows:

	<b>2018</b>	<b>2017</b>
Accounts receivable	<u>\$ 6,123</u>	<u>\$ 5,962</u>
Total assets	<u>\$ 6,123</u>	<u>\$ 5,962</u>
Minority interest payable	<u>\$ 682</u>	<u>\$ 666</u>
Total liabilities	<u>\$ 682</u>	<u>\$ 666</u>

The total accounts receivable of \$6,123 and \$5,962 are recorded in Receivables as of March 31, 2018 and 2017, respectively. The Minority interest payable of \$682 and \$666 are recorded in Accrued liabilities as of March 31, 2018 and 2017, respectively.

# Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

## Notes to Consolidated Financial Statements

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*(In thousands)*

#### 14. Related-Party Transactions

##### **Service Agreement**

The Partnership has a service agreement under which Tata Chemicals North America Inc. ("TCNA"), the controlling partner, provides certain management and administrative services to the Partnership. The cost of such services allocated to the Partnership for the years ended March 31, 2018 and 2017 was \$12,788 and \$10,043, respectively and accounts payable at March 31, 2018 and 2017 amounted to \$1,551 and \$1,091, respectively.

##### **Soda Ash Supply Agreement**

The Partnership has soda ash supply agreements with Owens-Illinois Inc. and its affiliates ("O-I"). These agreements set forth the terms and conditions for the Partnership to supply O-I with soda ash, at established market rates, over the life of the partnership agreement. These agreements include no specific volume requirements. For the years ended March 31, 2018 and 2017, sales related to these agreements amounted to \$105,293 and \$111,202, respectively. As of March 31, 2018 and 2017, amounts due under these agreements totaled \$16,196 and \$23,618, respectively, and are included in receivables. Included in these amounts are sales under the trade finance agreement with Tata Chemicals International Pte Limited ("TCIPL"). TCIPL provides financing for the sale of soda ash by TCSAP to Owens Illinois subsidiary companies in Latin America and Asia Pacific ("O-I LATAM"). TCSAP remains responsible for servicing the O-I LATAM accounts including negotiating pricing, logistical support and quality. TCIPL directly incorporates a finance charge into the final invoice to O-I LATAM. For the years ended March 31, 2018 and 2017, sales to TCIPL under these agreements amounted to \$24,965 and \$41,865, respectively. As of March 31, 2018 and 2017, amounts due under these agreements totaled \$6,649 and \$12,638, respectively.

##### **Other**

The Partnership supplies soda ash to TCNA (UK) Limited ("TCNA UK"), a 100% owned subsidiary of TCNA. In the years ended March 31, 2018 and 2017, sales to TCNA UK aggregated to \$23,316 and \$22,559, respectively and accounts receivable at March 31, 2018 and 2017 amounted to \$9,599 and \$11,596, respectively. TCNA has the intent and the ability to offset the payable due from the Partnership of \$1,551 and \$1,091 as of March 31, 2018 and 2017, respectively (see above) with the amounts due to the Partnership from its wholly owned subsidiary TCNA UK. Consequently, as of March 31, 2018 and 2017, there is an amount due from TCNA of \$8,143 and \$10,512, respectively that is recorded in Receivables due from TCNA on the consolidated balance sheet.

In the ordinary course of business, the Partnership sells materials to Tata Chemicals Limited ("TCL"), TCNA's ultimate parent, and its subsidiaries. During the years ended March 31, 2018 and 2017, the sales to TCL and its subsidiaries, excluding sales to TCIPL, amounted to \$30,109 and \$24,679, respectively and accounts receivable at March 31, 2018 and 2017 amounted to \$11,055 and \$7,233, respectively. Additionally, during the years ended March 31, 2018 and 2017 the reimbursement of costs from these subsidiaries of TCL amounted to \$92 and \$41, respectively and account payable amounted to \$22 and \$5 at March 31, 2018 and 2017, respectively.

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**15. Subsequent Events**

The Partnership's management has evaluated all events or transactions that occurred after March 31, 2018 through June 22, 2018 the date the consolidated financial statements were issued. There are no subsequent events that require adjustment to or disclosure in the consolidated financial statements.

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