

Valley Holdings Inc.
Balance Sheet as at 31 March, 2017

Particulars	Notes	As At 31 March, 2017 \$ in '000	As At 31 March, 2016 \$ in '000	As At 1 April, 2015 \$ in '000
I. Assets				
1. Non Current Assets				
(a) Investment in subsidiary	5	1,012,964	1,012,964	1,012,964
		<u>1,012,964</u>	<u>1,012,964</u>	<u>1,012,964</u>
2. Current Assets				
(a) Financial Assets (amortised cost)				
(i) Cash and cash equivalent	6	4,248	1,565	584
(ii) Other financial assets	7	3,905	8,671	9,979
		<u>8,153</u>	<u>10,236</u>	<u>10,563</u>
TOTAL		<u>1,021,117</u>	<u>1,023,200</u>	<u>1,023,527</u>
II. Equity and Liabilities				
Equity				
(a) Equity share capital	8	*	*	*
(b) Other equity	9	1,020,187	1,021,656	1,022,012
		<u>1,020,187</u>	<u>1,021,656</u>	<u>1,022,012</u>
2. Current Liabilities				
(a) Financial liabilities (amortised cost)				
(i) Other Current Liabilities	10	930	1,013	984
(b) Current tax liabilities (net)	11	-	531	531
		<u>930</u>	<u>1,544</u>	<u>1,515</u>
TOTAL		<u>1,021,117</u>	<u>1,023,200</u>	<u>1,023,527</u>

* indicates amount less than \$ one thousand

Notes forming part of the financial statements

1 to 15

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the board of directors of Valley Holdings Inc.

Sanjiv V. Pilgaonkar
Partner

Sd/-
Director

Sd/-
Director

Place : Mumbai, India
Date: 21.07.2017

Valley Holdings Inc.
Statement of profit and loss for the year ended 31 March, 2017

Particulars	Notes	For the year ended 31 March, 2017 \$ in '000	For the year ended 31 March, 2016 \$ in '000
I. Revenue from operation		-	-
II. Other income	12	10,000	20,000
III. Total Income (I+II)		10,000	20,000
IV. Expenses:			
Other expenses	13	667	780
Total expenses		667	780
V. Profit before tax (III - IV)		9,333	19,220
VI. Tax expenses:			
(a) Current tax		-	-
(b) Earlier year taxes		(531)	
(c) Tax Recoverable (See Note 15 (iii))		(132)	(154)
Total tax benefit (net)		(663)	(154)
VII. Profit for the year (V-VI)		9,996	19,374
VIII. Other Comprehensive Income		-	-
IX. Total Comprehensive Income		9,996	19,374
EARNINGS PER SHARE			
(Face value per share - \$ 0.01)			
(a) Basic		99,960	193,740
(b) Diluted		99,960	193,740

Notes forming part of the financial statements **1 to 15**

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the board of directors of
Valley Holdings Inc.

Sanjiv V. Pilgaonkar
Partner

Sd/-
Director

Sd/-
Director

Place : Mumbai, India
Date : 21.07.2017

Valley Holdings Inc.
Statement of cash flow for the year ended 31 March, 2017

Particulars	For the year ended	For the year ended
	31 March, 2017	31 March, 2016
	\$ in '000	\$ in '000
A. Cash flow from operating activities :		
Profit before tax	9,333	19,220
Adjustments for :		
Dividend Income	(10,000)	(20,000)
Operating (loss) before working capital changes	(667)	(780)
Adjustments for :		
Other financial assets	4,898	1,462
Other financial liabilities	(83)	29
Net cash generated in operating activities	4,148	711
B. Cash Flow from Investing Activities :		
Dividend received	10,000	20,000
Net Cash generated from investing activities	10,000	20,000
C. Cash Flow from financing activities :		
Dividend paid including dividend distribution tax	(11,465)	(19,730)
Net Cash (used) in Financing Activities	(11,465)	(19,730)
Net Increase in Cash and cash Equivalents (A+B+C)	2,683	981
Cash and cash equivalents as at 1 April	1,565	584
Cash and cash equivalents as at 31 March (Note 8)	4,248	1,565
Components of cash and cash equivalents		
Bank Balances	4,248	1,565
	4,248	1,565

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the board of directors
of Valley Holdings Inc.

Sanjiv V. Pilgaonkar
Partner

Sd/-
Director

Sd/-
Director

Place : Mumbai, India
Date : 21.07.2017

Valley Holdings Inc.
Statement of Changes in Equity for the year ended 31 March, 2017

a. Equity Share Capital (Note 8)

\$ in '000

Balance as at 1 April, 2015 *
 Balance as at 31 March, 2016 *
 Balance as at 31 March, 2017 *

* indicates amount less than \$ one thousand

b. Other equity (Note 9)

\$ in '000

Particulars	Retained Earnings	Securities premium reserve	Items of other comprehensive income	Total
Balance as 1 April, 2015	301,370	720,642	-	1,022,012
Profit for the year	19,374	-	-	19,374
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the year	19,374	-	-	19,374
Dividend including tax on dividend	(19,730)	-	-	(19,730)
Balance as at 31 March, 2016	301,014	720,642	-	1,021,656
Profit for the year	9,996	-	-	9,996
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the year	9,996	-	-	9,996
Dividend including tax on dividend	(11,465)	-	-	(11,465)
Balance as at 31 March, 2017	299,545	720,642	-	1,020,187

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP

For and on behalf of the board of directors of Valley Holdings Inc.

Sanjiv V. Pilgaonkar
 Partner

Sd/-
 Director

Sd/-
 Director

Place : Mumbai, India
 Date : 21.07.2017

Note 1: Corporate Information

Valley Holding Inc. (the "Company"), a Delaware Corporation incorporated in 2008 to be a holding company for certain investments of Tata Chemicals Limited in the United States of America. The Company is a wholly owned subsidiary of Gusiute Holdings (UK) Ltd. and the ultimate holding company is Tata Chemicals Limited. Tata Chemicals North America Inc. , ("TCNA"), a wholly owned subsidiary of the Company is a leading North American manufacturer and supplier of soda ash to a broad range of industrial and municipal customers. The primary end markets for soda ash include glass production, sodium-based chemicals, powdered detergents, water treatment, and other industrial end uses. The registered office of the Company shall be located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, in the County of New Castle, United States of America.

Note 2: Significant Accounting Policies

2.1 Basis of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. Until the adoption of Ind AS, for all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP"). These are the Company's first Ind-AS financial statements where the transaction date is 1 April, 2015. There has been no effect on the Company's financial position, financial performance and cash flows upon transition.

Since Company's Ultimate parent prepares a consolidated financial statement, where Company financial statement are also included, thus no consolidated financial statement has been prepared by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared under the historical cost convention using the accrual method of accounting basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

The functional currency of Company (i.e. the currency of the primary economic environment in which the Company operates) and presentation currency is USD (\$).

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the financial statements requires management to make estimates, assumptions and judgements that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

2.3.1 Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

2.4 Significant accounting policies

2.4.1 Investment in subsidiary

Investment in subsidiary are carried at cost and classified as "Non Current Assets" as these are intended to be held for a period over twelve months.

On disposal of such investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

2.4.2 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits i.e. balances with banks which are unrestricted for withdrawal and usage. The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Other financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Financial Liabilities and Equity

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest method.

Equity instruments

Equity instruments recognised by the Company are measured at the proceeds received net of direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to offset the recognised amounts and the Company intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4.3 Dividend Income:

Dividend income is accounted for when Company's right to receive income is established.

2.4.4. Income Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the local tax laws. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when it relates to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities simultaneously.

2.4.6 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of shares outstanding during the year. The Company has not issued any financial instruments that are potential shares which have a diluted effect on earning per share.

2.4.7 Statement of cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

3 Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 - Statement of cash flows and Ind AS 102 - Share-based payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to Ind AS 7 - Statement of Cash Flows and Ind AS 102 - Share-based payment, respectively. The amendments are applicable from 1 April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance on measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the fair values, but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The requirements of the amendment have no impact on the financial statements as the standard is not applicable to the Company.

4. Transition to Ind AS

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March, 2017, together with the comparative period data as at and for the year ended 31 March, 2016, as described in the summary of significant accounting policies (Note 2 of the financial statements). In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April, 2015 ("Transition Date"), the Company's date of transition to Ind AS.

Optional exemptions availed:

In preparing the financial statements, the Company has applied the below mentioned optional exemptions as prescribed under Ind AS 101 and applicable from the Transition date:

Investments in subsidiaries, joint ventures and associates

The Company has elected to consider the carrying cost of equity investments in subsidiaries as per the Previous GAAP as the deemed cost as at the Transition date.

Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2017

5. Non-current investments

	As At 31 March, 2017 \$ in '000	As At 31 March, 2016 \$ in '000	As At 1 April, 2015 \$ in '000
Investments (At cost):			
Investment in equity instruments in Subsidiary			
Investment in Tata Chemicals North America Inc. (Common Stock 100 of \$ 0.01 fully paid up)	1,012,964	1,012,964	1,012,964
	1,012,964	1,012,964	1,012,964
Aggregate amount of unquoted investments	1,012,964	1,012,964	1,012,964

6. Cash and cash equivalents

	As At 31 March, 2017 \$ in '000	As At 31 March, 2016 \$ in '000	As At 1 April, 2015 \$ in '000
Cash and cash equivalents			
<i>Balances with banks:</i>			
- Bank Balances	4,248	1,565	584
	4,248	1,565	584

7. Other financial assets

	As At 31 March, 2017 \$ in '000	As At 31 March, 2016 \$ in '000	As At 1 April, 2015 \$ in '000
Receivable from related parties (unsecured, considered good) (Refer note 15 (ii))	3,905	8,671	9,979
	3,905	8,671	9,979

8. Equity share capital

	As At 31 March, 2017	As At 31 March, 2016	As At 1 April, 2015
	\$ in '000	\$ in '000	\$ in '000
Authorised			
1000 (2016 : 1000, 2015: 1000) shares with \$ 0.01 each	*	*	*
Issued, subscribed and fully paid-up			
100 (2016 : 100, 2015: 100) shares	*	*	*
Total issued, subscribed and fully paid-up share capital	*	*	*

* indicates amounts less than \$ one thousand

The total number of shares are in absolute numbers

Footnotes:

(a) The movement in number of shares and amount outstanding at the beginning and at the year end

Issued, subscribed and fully paid-up shares

	As At 31 March, 2017		As At 31 March, 2016	
	No.	\$ in '000	No.	\$ in '000
At the beginning of the year	100	*	100	*
Issued during the year	-	-	-	-
Outstanding at the end of the year	100	*	100	*

* indicates amounts less than \$ one thousand

The total number of shares are in absolute numbers

(b) Terms/ rights attached to shares

The Company has issued one class of ordinary shares having a par value of \$ 0.01 per share. Each shareholder is eligible for one vote per share held. The Board of directors are authorised and declare dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

(c) Shares held by holding Company

Out of shares issued by the Company, shares held by its holding company are as below:

Equity Stocks	As At 31 March, 2017	As At 31 March, 2016	As At 1 April, 2015
	\$ in '000	\$ in '000	\$ in '000
Gusiute Holdings (UK) Limited, Holding Company	*	*	*

* indicates amounts less than \$ one thousand

(d) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As At 31 March, 2017		As At 31 March, 2016	
	No.	% holding in the class	No.	% holding in the class
Gusiute Holdings (UK) Limited, Holding Company	100	100%	100	100%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(f) There are no shares reserved for issue under any employee stock option schemes or under agreements or contracts.

(g) Information regarding shares in last five years.

(i) The Company has not issued any shares pursuant to contracts without payment being received in cash.

(ii) There has been no issue of bonus shares.

(iii) The Company has not undertaken any buy-back of shares.

(iv) The Company has not issued any shares as fully paid up pursuant to scheme of amalgamation.

9. Other equity

	As At	As At	As At
	31 March, 2017	31 March, 2016	1 April, 2015
	\$ in '000	\$ in '000	\$ in '000
Other equity			
(i) Securities premium reserve	720,642	720,642	720,642
(ii) Retained earning	299,545	301,014	301,370
Total other equity	1,020,187	1,021,656	1,022,012

The movement in other equity

	Year ended	Year ended
	31 March, 2017	31 March, 2016
	\$ in '000	\$ in '000
(i) Securities premium reserve		
Balance at the beginning of the year	720,642	720,642
Balance at the end of the year	720,642	720,642
(ii) Retained earnings		
Balance at the beginning of the year	301,014	301,370
Profit for the year	9,996	19,374
Dividend including tax on dividend	(11,465)	(19,730)
Balance at the end of the year	299,545	301,014

10. Other financial liabilities

	As At 31 March, 2017 \$ in '000	As At 31 March, 2016 \$ in '000	As At 1 April, 2015 \$ in '000
Other liabilities			
Accrued expense	24	107	78
Other Liabilities*	906	906	906
	930	1,013	984

* amount payable to erstwhile shareholders of Tata Chemicals North America Inc.

11. Current tax liabilities (net)

	As At 31 March, 2017 \$ in '000	As At 31 March, 2016 \$ in '000	As At 1 April, 2015 \$ in '000
Provision for tax (net of advance tax)	-	531	531
	-	531	531

12. Other Income

	For the year ended 31 March, 2017 \$ in '000	For the year ended 31 March, 2016 \$ in '000
Dividend Income from long term investment	10,000	20,000
	10,000	20,000

13. Other Expenses

	For the year ended 31 March, 2017 \$ in '000	For the year ended 31 March, 2016 \$ in '000
Donation	750	750
Legal and professional fees	(83)	30
	667	780

14. Tax expenses

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended 31 March, 2017 \$ in '000	For the year ended 31 March, 2016 \$ in '000
Profit before tax	9,333	19,220
Income tax expenses calculated at 35 %	3,267	6,727
Effect of income that is exempt from taxation	(3,500)	(7,000)
Impact due to Alternative Minimum Tax	94	117
Others	7	2
Tax Recoverable (See Note 15 (iii))	(132)	(154)
Earlier year tax reversal	(531)	-
Income tax recognised in Statement of profit and loss	(663)	(154)

Note 15 : Other Notes

(i) Earnings per Share

		For the year ended 31-Mar- 2017	For the year ended 31-Mar- 2016
Basic and Diluted			
(a) Profit after tax	\$ '000	9,996	19,374
(b) The weighted average number of equity shares of \$0.01 each	Nos.	100	100
(c) Earning Per Share (face value per share \$0.01)	\$	99,960	193,740

(ii) Related Party Disclosure

(a) Related Parties and their relationship (As identified by the Management)

Ultimate Holding Company	Tata Chemicals Limited, India
Holding Company	Gusiute Holdings (UK) Limited, United Kingdom
Direct Subsidiaries	Tata Chemicals North America Inc., United States of America
Fellow Subsidiaries	Tata Chemicals Magadi Limited., United Kingdom

(b) Transactions with related parties during the year ended 31st March, 2017 and balances outstanding as at 31st March, 2017

		Gusiute Holdings (UK) Limited, United Kingdom	Tata Chemicals North America Inc., United States of America	Tata Chemicals Magadi Limited., United Kingdom
			USD '000	
<u>Transactions with related parties</u>				
Reimbursement of expenses and tax benefit transfer	2017	-	132	-
	2016	-	154	-
Received from related parties	2017	-	4,898	-
	2016	-	-	1,460
Dividend Income	2017	-	10,000	-
	2016	-	20,000	-
Dividend Paid (Net of Withholding taxes)	2017	10,892	-	-
	2016	18,743	-	-
<u>Balances due from/to related parties</u>				
Receivable from related parties	2017	-	3,905	-
	2016	-	8,671	-
	2015	-	8,519	1,460

(iii) The Company recognises tax benefits in respect of the tax losses incurred by the Company which are utilised by its subsidiary as a deduction from its taxable profit.

(iv) Segment disclosure

The Company is Investment holding Company and carrying its operation in United State of America (USA). Hence it does not have any reportable segment.

(v) Disclosures on financial instruments

The following table presents the carrying amounts of each category of financial assets and liabilities.

	As At 31 March, 2017 \$ in '000	As At 31 March, 2016 \$ in '000	As At 1 April, 2015 \$ in '000
Financial assets			
(i) Cash and cash equivalent	4,248	1,565	584
(ii) Other financial assets	3,905	8,671	9,979
	8,153	10,236	10,563
Financial liabilities			
(i) Other Current Liabilities	930	1,013	984
	930	1,013	984

The management assessed that fair value of all above financial instruments are approximate their carrying amounts largely due to the short-term maturities of these instruments.

For and on behalf of the board of directors of Valley Holdings Inc.

Sd/-
Director

Sd/-
Director