Tata Chemicals North America Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report March 31, 2023 and 2022

Tata Chemicals North America Inc. and Subsidiaries
Index
March 31, 2023 and 2022

KPMG LLP
Suite 1500
15 W. South Temple
Salt Lake City, UT 84101

Independent Auditors' Report

Board of Directors
Tata Chemicals North America Inc.:

Opinion

We have audited the consolidated financial statements of Tata Chemicals North America Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheets as of March 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Salt Lake City, Utah
May 25, 2023

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Income
Years Ended March 31, 2023 and 2022

(in thousands)	2023	2022
Net revenues	$ 655,528	$ 494,888
Cost of revenues - excluding depreciation	471,699	366,459
Cost of revenues - depreciation	32,249	30,499
Total cost of revenues	503,948	396,958
Selling, general and administrative expense	23,842	20,188
Loss on disposition of long-lived assets	41	-
Operating income	127,697	77,742
Interest expense, net	12,678	10,997
Other (income) expense, net	(308)	2,019
Income before income tax	115,327	64,726
Income tax expense	8,889	3,108
Net income	106,438	61,618
Net income attributable to noncontrolling interest	35,608	25,647
Net income (loss) attributable to Tata Chemicals North America Inc.	$ 70,830	$ 35,971

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended March 31, 2023 and 2022

(in thousands)	2023	2022
Net income	$ 106,438	$ 61,618
Other comprehensive income, net of tax expense		
Defined benefit plan and other adjustments, net of tax of $(31) and $(2,762)	1,485	13,096
Unrealized (loss) gain on natural gas hedge, net of tax $3,305 and $(639)	(16,447)	3,263
Interest rate swap, net of tax of ($305)	1,102	-
Currency translation adjustment	17	-
Other comprehensive (loss) income	(13,843)	16,359
Net comprehensive income	92,595	77,977
Less: Net comprehensive income attributable to the noncontrolling interest	32,445	30,033
Net comprehensive income attributable to Tata Chemicals North America Inc.	$ 60,150	$ 47,944

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Balance Sheets
March 31, 2023 and 2022

(in thousands, except share data)	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 32,941	$ 56,652
Receivables, net of allowance for doubtful accounts of $495 and $200	162,862	102,038
Due from related parties	77,599	103,056
Inventories	21,583	25,057
Prepaid expenses and other current assets	11,831	13,442
Total current assets	306,816	300,245
Property, plant, and equipment, net	253,921	244,857
Goodwill	122,658	122,658
Other assets	18,130	16,445
Total assets	$ 701,525	$ 684,205
Liabilities		
Current liabilities		
Accounts payable	$ 52,934	$ 38,236
Current portion of long-term debt	40,164	27,500
Income taxes payable - current	3,020	-
Current portion of finance lease obligation	4,832	6,091
Accrued liabilities	36,952	25,899
Total current liabilities	137,902	97,726
Finance lease obligation, net of current portion	7,667	7,270
Deferred tax liabilities, net	1,723	6,923
Other liabilities	93,396	87,767
Long-term debt, net of current portion	161,213	240,884
Total liabilities	401,901	440,570
Stockholder's Equity		
Tata Chemicals North America Inc. equity:		
Common stock, $0.01 par value; 1,000 shares authorized 100 shares issued and outstanding at March 31, 2023 and 2022	-	-
Additional paid-in capital	228,806	228,806
Accumulated other comprehensive loss	(11,351)	(671)
Accumulated deficit	(19,249)	(62,246)
Total Tata Chemicals North America Inc. equity	198,206	165,889
Noncontrolling interest	101,418	77,746
Total equity	299,624	243,635
Total liabilities and stockholder's equity	$ 701,525	$ 684,205

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended March 31, 2023 and 2022

(in thousands)	2023	2022
Cash flows from operating activities		
Net income	$ 106,438	$ 61,618
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	32,249	30,499
Provision for bad debts	295	-
Amortization of financing fees	2,829	2,247
Deferred tax provision	(2,232)	3,152
Changes in asset retirement obligation estimates	1,221	1,203
Unrealized hedge losses (gains)	-	(3,910)
Loss on disposal of assets	41	-
Changes in assets and liabilities		
(Increase) in receivables from trade and related parties	(63,496)	(31,289)
Increase in income taxes payable	3,020	-
(Increase) decrease in inventories	3,474	(12,410)
Increase in accounts payable	13,671	3,866
(Decrease) increase in accrued liabilities	(2,167)	1,760
(Decrease) increase in other liabilities	5,913	2,222
(Increase) in prepaid expenses and other current and non-current assets	(5,169)	(2,999)
Net cash provided by operating activities	96,087	55,959
Cash flows from investing activities		
Capital expenditures	(33,317)	(17,350)
Net cash used in investing activities	(33,317)	(17,350)
Cash flows from financing activities		
Repayment of debt	(84,836)	-
New borrowings	15,000	-
Finance lease payments	(7,871)	(7,918)
Financing fees paid	-	(1,128)
Dividends	-	(18,553)
Distributions to noncontrolling interest	(8,774)	(11,976)
Net cash (used in) provided in financing activities	(86,481)	(39,575)
Change in cash and cash equivalents	(23,711)	(966)
Cash and cash equivalents		
Beginning of year	56,652	57,618
End of year	$ 32,941	$ 56,652
Supplemental information		
Cash paid for interest	$ 11,173	$ 9,945
Non-cash investing activities		
Accounts payable and accrued liabilities incurred to acquire property and equipment	$ 10,864	$ 9,836
Assets obtained in exchange for lease obligations	$ 7,078	$ 2,711
Reductions to assets resulting from retirement of lease obligations	$ (69)	$ (53)
Distribution declared, not yet paid	$ (27,833)	$ -
Change in estimate of asset retirement obligation	$ 841	$ -

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholder's Equity
Years Ended March 31, 2023 and 2022

(in thousands)	Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholder's Equity	Noncontrolling Interest	Total Equity
Balance—March 31, 2021	100	$ -	$ 228,806	$ (12,643)	$ (79,664)	$ 136,499	$ 59,688	$ 196,187
Net Income	-	-	-	-	35,971	35,971	25,647	61,618
Dividends	-	-	-	-	(18,553)	(18,553)	-	(18,553)
Distribution to noncontrolling interest	-	-	-	-	-	-	(11,976)	(11,976)
Other comprehensive income	-	-	-	11,972	-	11,972	4,387	16,359
Balance—March 31, 2022	100	$ -	$ 228,806	$ (671)	$ (62,246)	$ 165,889	$ 77,746	$ 243,635
Net Income	-	-	-	-	70,830	70,830	35,608	106,438
Dividends	-	-	-	-	(27,833)	(27,833)	-	(27,833)
Distribution to noncontrolling interest	-	-	-	-	-	-	(8,774)	(8,774)
Other comprehensive loss	-	-	-	(10,680)	-	(10,680)	(3,163)	(13,843)
Balance—March 31, 2023	100	$ -	$ 228,806	$ (11,351)	$ (19,249)	$ 198,206	$ 101,418	$ 299,624

See notes to consolidated financial statements.

(in thousands)

1. Basis of Presentation

Description of Business

Tata Chemicals North America Inc. and subsidiaries, ("TCNA" or the "Company") is a North American manufacturer and supplier of natural 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.

On March 27, 2008, TCNA was acquired by a subsidiary of Tata Chemicals Limited ("TCL"). Subsequent to the acquisition agreement and plan of merger with TCL, TCNA became a wholly owned subsidiary of Valley Holdings, Inc. ("VHI"), a United States subsidiary of TCL. The consolidated financial statements of TCNA are prepared on a historical cost basis and do not reflect the pushdown of the acquisition of TCNA by TCL.

For the purposes of these consolidated financial statements, fiscal 2023 is defined as the twelve month year ended March 31, 2023 and fiscal 2022 is defined as the twelve month year ended March 31, 2022.

2. Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements reflect the results of operations, financial position and cash flows of the Company, including wholly owned subsidiaries and TC (Soda Ash) Partners Holdings and subsidiaries ("TCSAP Holdings") of which the Company owns 75%. VHI owns the remaining 25% interest in TCSAP Holdings. Intercompany balances and transactions are eliminated in consolidation. The portion of TCSAP Holdings that is not owned (including ALCAD), is reflected as noncontrolling interest in the accompanying consolidated financial statements.

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 useful lives of assets, valuation of deferred tax assets, valuation of goodwill, 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 periodically reviews customer's credit history and extends credit accordingly. The Company records a provision for estimated losses based upon 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.

Income Taxes

The Company recognizes income taxes using the separate return method for the amount of taxes payable for the current year and deferred tax assets and liabilities for the future tax consequence of events that have been recognized differently in the consolidated financial statements than for tax purposes. Deferred tax assets and liabilities are established using statutory tax rates expected to apply when differences are expected to be settled or realized and are adjusted for tax rate changes. Deferred tax assets are valued at the amount that is more likely than not to be realized.

(in thousands)

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records estimated interest and penalties related to unrecognized tax benefits, if any, as a component of the income tax provision.

Inventories
Inventories are stated at the lower of cost or net realizable value, with cost being determined using the average cost method. Product inventory costs include depreciation, maintenance, labor, energy, material and factory overhead.

Property, Plant and Equipment
The property, plant and equipment are carried at cost less accumulated depreciation. Most property, plant and equipment are depreciated using the straight-line method, using estimated lives which range from 2 to 50 years. The mineral leases are depreciated using the units-of-production method. Leasehold improvements are amortized over the lesser of the useful life of the asset or term of the lease. Major additions and improvements are capitalized, while costs for minor replacements, maintenance and repairs that do not increase the functionality or useful life of an asset are expensed as incurred. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is recorded.

Property, Plant, and Equipment useful lives

Land and improvements	5 to 30 years
Buildings and leasehold improvements	3 to 30 years
Machinery & Equipment	2 to 20 years
Mines & quarries	10 to 50 years
Machinery & Equipment - Leased	Set by lease agreement
Buildings - Leased	Set by lease agreement

Impairment of Long-Lived Assets
Long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The Company measures the recoverability of these assets by comparing the carrying amount of such asset or asset group to the future undiscounted cash flows it expects the asset or asset group to generate over the remaining useful life of the primary asset. If the carrying amount of the long-lived asset or asset group is not recoverable, an impairment is recognized in the event that the carrying amount of the long-lived assets exceeds the fair value. There were no events or changes in circumstances that indicated long-lived assets were impaired during the year ended March 31, 2023 and 2022.

Goodwill
Goodwill is not amortized into results of operations, but instead is reviewed for impairment. The Company records impairment losses on goodwill based upon the occurrence of a triggering event, or an annual review of the value of the assets or when events and circumstances indicate that the asset might be impaired and when the carrying value of the asset is more than its fair value. The goodwill

(in thousands)

impairment test begins with a qualitative analysis of factors that could be indicators of potential impairment. Next, if a quantitative analysis is necessary, we compare the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, the goodwill of the reporting unit is not considered impaired. If the carrying amount of the reporting unit exceeds its fair value, we would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.

Deferred Financing Costs
Deferred financing costs associated with debt issues are offset against long-term debt and are amortized over the terms of the related debt.

Asset Retirement Obligations
The Company provides for the expected costs to be incurred for the eventual reclamation of properties pursuant to local laws. The Company 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 costs of the related long-lived assets are depreciated over their estimated useful lives. An entity ultimately either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

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

Cash and Cash Equivalents
The Company's cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less. The Company maintains cash and cash equivalents in bank deposit and money market accounts that may exceed federally insured limits. The financial institutions where the Company'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.

Derivative Financial Instruments
Derivative financial instruments are used to mitigate natural gas purchase price and interest rates. The Company records all derivatives on the balance sheet at fair value. The Company's natural gas forwards are designated as fair value hedges and the interest rate swap are designated as cash flow hedges. Gains and losses on hedges are initially deferred in accumulated other comprehensive (loss) income, net of income taxes. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the earnings effect of the hedged forecasted transactions. Hedges are tested for effectiveness at inception of the hedge as well as in subsequent periods. If it is determined that hedging instruments are no longer effective at offsetting changes in the underlying hedged item, then the changes in fair value of the derivative instrument would be recorded immediately in the consolidated statements of income in the same caption as the hedged item. The Company does not hold or issue derivative instruments for trading purposes.

(in thousands)

Revenue Recognition
Our Soda Ash sales division consists of the mining, processing, and sale of soda ash products. Revenues are recognized when the Company satisfies the performance obligation to transfer products to customers, which typically occurs at a point in time upon shipment of the products, and for an amount that reflects the transaction price that is allocated to the performance obligation.

The Company has applied the shipping and handling practical expedient to treat all shipping and handling activities as fulfillment activities as the Company views these costs as costs to fulfill the customers' orders. Fees for shipping and handling charged to customers for sales transactions are including in Net revenues on the consolidated statements of operations. When control over products has transferred to the customer, the Company has elected to recognize costs related to shipping and handling as an expense.

The Company's payment terms vary by the type of customer and the products offered. The term between invoicing and due date is not significant.

Unit price is determined at the time of the purchase order and is generally established on a customer-by-customer basis annually.

Employee Medical Benefits
The Company is self-insured for expenses relating to employee medical benefits. All employees have an option to participate in the Company's self-funded comprehensive medical care benefits program. The cost of medical care is paid out of employee and employer contributions. The Company 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 Company's historical experience.

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

Non-controlling Interest
The Company accounts for non-controlling interests as a component of equity in the consolidated financial statements.

Leases
The Company determines if an arrangement is, or contains, a lease at contract inception based on whether there is an identified asset and whether the Company has the right to control the use of the identified asset throughout the period of use. The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner

(in thousands)

and date as for operating leases and is subsequently measured at amortized cost using the effective-interest method.

Key estimates and judgments include how the Company determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term, and (3) lease payments. The Company discounts its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the Company cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Company generally uses its incremental borrowing rate as the discount rate for the lease. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Company does not generally borrow on a collateralized basis, it uses the interest rate it pays on its noncollateralized borrowings as an input to deriving an appropriate incremental borrowing rate, the lease term and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease.

The lease term for all of the Company's leases includes the noncancelable period of the lease plus any additional periods covered by either a Company option to extend (or not to terminate) the lease that the Company is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

Lease payments included in the measurement of the lease liability comprise of the following:

– Fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties the Company would owe if the lease term assumes Company exercise of a termination option);
– Variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease commencement date;
– Amounts expected to be payable under a Company-provided residual value guarantee; and
– The exercise price of a Company option to purchase the underlying asset if the Company is reasonably certain to exercise the option.

The right of use (ROU) asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the Company or the Company is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

Variable lease payments associated with the Company's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented as operating expense in the Company's consolidated

(in thousands)

statements of operations in the same line item as expense arising from fixed lease payments (operating leases) or amortization of the ROU asset (finance leases).

ROU assets for operating and finance leases are periodically reduced by impairment losses and the Company evaluates the ROU asset for impairment loss using the same methodology as for long-lived assets.

The Company monitors for events or changes in circumstances that require a reassessment of one of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

Finance lease ROU assets are included in property, plant, and equipment. During the years ended March 31, 2023 and March 31, 2022, the current portion of finance lease liabilities is included in current portion of finance lease obligations and the long-term portion is included in long term portion of finance lease obligation.

The Company has elected not to recognize ROU assets and lease liabilities for short-term leases of equipment that have a lease term of 12 months or less. The Company recognizes the lease payments associated with its short-term equipment leases as an expense on the consolidated statements of operations. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other Company leases.

The Company has lease agreements with lease and non-lease components and has elected a practical expedient not to separate the lease and non-lease components for its leases for physical space and equipment and accounts for them as a single lease component.

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 Company 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. The credit risk of the Company and its counterparties is incorporated in the valuation of assets and liabilities using credit reserves, the impact of which is immaterial for the years ended March 31, 2023 and 2022. The Company believes it uses valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

The Company 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.

(in thousands)

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2023:

	Fair Value Measurements		
	Level 1	Level 2	Total
Assets:			
Cash equivalents	$ 34,111	$ -	$ 34,111
Interest rate swap	-	1,407	1,407
Non-qualified pension asset	1,626	-	1,626
	$ 35,737	$ 1,407	$ 37,144
Liabilities:			
Natural gas futures contracts	$ -	$ (13,220)	$ (13,220)

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2022:

	Fair Value Measurements		
	Level 1	Level 2	Total
Assets:			
Cash equivalents	$ 57,458	$ -	$ 57,458
Natural gas future contracts	-	$ 6,503	6,503
Non-qualified pension asset	1,728	-	1,728
Total	$ 59,186	$ 6,503	$ 65,689

Cash Equivalents and Non-Qualified Pension Assets

Cash equivalents include investments with original 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. Non-qualified pension assets include investments in listed equity securities. 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.

Interest Rate Swaps and Commodity Futures Contracts

The inputs used in valuing interest rate swaps include quoted prices for similar assets in active markets and inputs that are observable for the instruments, and accordingly, the Company classifies these derivative instruments as Level 2 in hierarchy. The natural gas contracts are based on a regional basis forward price quoted by a third-party service. Interest rate swaps are used to manage the Company's exposure to interest rate volatility. The fair value of the swaps is determined using readily available replacement rates for similar transactions.

(in thousands)

4. Goodwill

The Company has $122,658 in goodwill at March 31, 2023 and 2022 that is not subject to amortization. The Company evaluates this goodwill for impairment on an annual basis. There was no impairment of goodwill for the years ending March 31, 2023 and 2022.

5. Property, Plant and Equipment, net

Property, plant and equipment, net as of March 31, 2023 and 2022 are comprised of the following:

	2023	2022
Land and improvements	$ 72,794	$ 71,431
Buildings and leasehold improvements	91,479	91,185
Machinery and equipment	350,558	361,065
Construction-in-progress	42,097	24,796
Mines and quarries	28,256	28,471
Total gross owned assets	585,184	576,948
Less: Accumulated depreciation	342,961	344,745
Total net owned assets	242,223	232,203
Leased - Equipment	$ 30,488	$ 24,627
Leased - Buildings	4,169	4,169
Total gross leased assets	34,657	28,796
Less: Accumulated depreciation	22,958	16,142
Total net leased assets	11,698	12,654
Total net assets	$ 253,921	$ 244,857

For the years ended March 31, 2023 and 2022, the Company recognized $24,283 and $22,960 of depreciation expense relating to owned assets, respectively. For the years ended March 31, 2023 and 2022, the Company recognized $7,966 and $7,539 of depreciation expense relating to leased assets, respectively.

(in thousands)

6. Accumulated Other Comprehensive Loss

The following table sets forth the components of accumulated other comprehensive loss as of March 31, 2023 and 2022:

	2023	2022
Pension and post retirement plan benefits, net of taxes	$ (4,743)	$ (4,461)
Natural gas hedges, net of taxes	(7,709)	3,807
Interest rate swap, net of taxes	1,101	-
Cumulative foreign currency translation adjustment	-	(17)
Total accumulated other comprehensive loss	$ (11,351)	$ (671)

7. Additional Financial Information

The summaries of selected balance sheet items as of March 31, 2023 and 2022 are as follows:

	2023	2022
Receivables		
Trade	$ 157,027	$ 95,549
Other	6,330	6,689
Allowance for doubtful accounts	(495)	(200)
	$ 162,862	$ 102,038
Inventories		
Raw materials	$ 17,745	$ 13,958
Work-in-process	100	100
Finished products	3,738	10,999
	$ 21,583	$ 25,057
Other Assets		
Pension asset	$ 1,626	$ 1,728
Spare parts	16,094	14,243
Long-term deposit	410	474
	$ 18,130	$ 16,445
Accrued Liabilities		
Wages, salaries, and benefits	$ 9,972	$ 10,358
Property, production and other taxes	5,884	11,552
Unrealized loss for interest rate swaps and natural gas futures	13,220	-
Other	7,876	3,989
	$ 36,952	$ 25,899
Other Liabilities		
Accrued pension obligations	$ 44,306	$ 43,072
Accrued other post-retirement benefits	10,717	11,778
Asset retirement obligation	27,634	25,572
Accrued other	10,739	7,345
	$ 93,396	$ 87,767

(in thousands)

8. Debt

On June 19, 2020, the Company entered into a credit agreement with several lenders led by Standard Chartered Bank ("SCB"), as administrative agent. The credit agreement provided for a $275,000 credit facility, composed of a $275,000 term loan ("Term loan") with a 5-year term. The borrowing under this facility bears interest at the London Interbank Offered Rate ("LIBOR") plus applicable margin. The term loan effective rate as of March 31, 2023 and 2022 was 6.59% and 1.82% respectively. The applicable margin on the Term loan was 1.6% per annum on LIBOR borrowings in 2023 and in 2022. The Term loan matures on June 19, 2025.

The Term loan is secured by the 100% ownership interest in the Company held by the Company's parent, VHI, and a security interest in all assets of the Company, including intellectual property. The Term loan is subject to certain covenants including, but not limited to, maintaining a Net Debt to EBITDA ratio of under 3.75, commencing April 1, 2021 through March 31, 2023, and under 3.25 thereafter, an EBITDA to consolidated net cash interest expense ratio of over 3.5 commencing April 1, 2021, a minimum net worth of not less than $125,000, commencing April 1, 2021 through March 31, 2023 and not less than $150,000 thereafter, a tangible net worth of not less than $0, commencing April 1, 2021, and a cash balance of not less than $25,000.

The Company entered into an amendment to its existing credit agreement on 9/27/2021. This amendment decreased the required cash balance from $25,000 to $10,000 as well as reducing the applicable margin from 4.00% to 1.60% per annum.

As of March 31, 2023 and 2022, the Company had $190,164 and $275,000 of total debt remaining outstanding under the Term loan; offset by $3,787 and $6,616 of deferred finance fees, respectively. Amortization of the deferred finance fees for the years ending March 31, 2023 and March 31, 2022, was $2,829 and $2,247, respectively.

The aggregate maturities of long-term debt as of March 31, 2023 are:

Debt Maturity	**Carrying amount**	**Amount due**
Fiscal year 2024	$ 190,164	$ 25,164
Fiscal year 2025	165,000	82,500
Fiscal year 2026	82,500	82,500
Total		$ 190,164
Non-current portion		$ 165,000
Current Portion		25,164

Revolving Credit Facility

On November 30, 2022, the Company entered into an uncommitted line of credit with Bank of America, N.A. (the "Agreement"), in an amount not to exceed, in the aggregate, at any one time, $25,000. The Agreement allows for individual draws against the facility at a rate per annum equal to Term SOFR plus applicable margin of 1.25% for terms ranging from one to three months. Any individual draw against the facility may be rolled over perpetually for an additional one to three months at the updated interest rate, through the termination date of the Agreement. The Agreement matures May 31, 2024 unless terminated earlier by either party or extended by agreement of both parties. As of March 31, 2023, the Company had $15,000 outstanding under the revolving credit facility.

(in thousands)

9. Income Taxes

Income tax expense (benefit) for the years ended March 31, 2023 and 2022 is summarized below:

	2023	2022
Current		
Federal	$ 10,834	$ 3,248
State	320	109
Total current	11,154	3,357
Deferred		
Federal	(2,151)	(163)
State	(114)	(86)
Total deferred	(2,265)	(249)
Total	$ 8,889	$ 3,108

A summary of the components of deferred tax assets and liabilities is as follows:

	2023	2022
Pension and post retirement benefits	$ 9,505	$ 9,338
Nondeductible accruals	960	293
Lease liabilities	856	890
Net operating Loss	121	135
Deferred tax assets	11,442	10,656
Depreciation	1,197	1,376
Partnership basis cancelation of debt loss	3,343	3,356
Right of use assets	695	751
Partnership basis	7,708	12,096
Other	222	-
Deferred tax liabilities	13,165	17,579
Net deferred tax liabilities	$ (1,723)	$ (6,923)

For the year ended March 31, 2023 and 2022, the Company's effective income tax rate was lower than the statutory Federal income tax rate principally due to mineral depletion.

The Company has assessed the realizability of the net deferred tax assets as of March 31, 2023 and in that analysis has considered the relevant positive and negative evidence available to determine

(in thousands)

whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The realization of the gross deferred tax assets is dependent on several factors, including the generation of sufficient taxable income through the reversal of existing deferred tax liabilities and projected taxable income. The Company believes that it is more likely than not that there will be sufficient taxable income in the future that the Company's deferred tax assets will be realized.

The Company files a consolidated U.S. federal income tax return with its parent VHI. Additionally, as required by state and local tax law, the Company files various state and local tax returns in these jurisdictions on a consolidated or combined basis with VHI. Other state and local income tax returns are filed on a standalone basis.

The Company files income tax returns in the US federal jurisdictions and various states. With few exceptions, the Company is not subject to audit by taxing authorities for the fiscal years ended prior to March 31, 2019. The Company does not expect its unrecognized positions to change significantly over the next year.

10. Insurance Proceeds

The Company experienced a breakdown of turbine generator 2 in January 2021, resulting in the need to purchase incremental electricity from the public utility, rather than producing electricity on site. After a 30-day waiting period deductible, insurance proceeds totaled $1,280 which were received by the Company in the period ended March 31, 2022. The total proceeds were determined to be a recovery of electricity purchase costs and are included in Cost of revenues – excluding depreciation on the consolidated statements of operations.

11. Commodity Futures Contracts and Interest Rate Swaps

The Company 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 secure supply and limit the effects of fluctuations in the future market price paid for natural gas and in the related volatility in cash flows. The maturities of the contracts are timed to coincide with the expected usage of the gas.

The Company meets the requirements to account for its natural gas hedges under hedge accounting. For the years ending March 31, 2023 and March 31, 2022, the Company recorded unrealized losses of $19,752 and unrealized gains of $3,902, respectively, in the consolidated statements of comprehensive income. The 2023 balance associated with the commodity futures contracts of $13,220 is included in accrued liabilities in the consolidated balance sheets as of March 31, 2023. The 2022 balance associated with the commodity futures contracts of $6,503 is included within prepaid expenses and other current assets in the consolidated balance sheets as of March 31, 2022. As of March 31, 2023, the notional amounts of the natural gas futures are $55,888 expiring in March 2027.

The Company enters into interest rate swaps to manage its exposure to interest rate variations on its floating-rate borrowings. The objective is to reduce its exposure to variability attributable to changes in the 3-month LIBOR rate underlying its LIBOR-indexed floating-rate debt (See Note 8). The Company entered into an interest rate swap effective October 6, 2022 with notional amount of $75,000. The swap has a fixed rate of 3.32% and floating rate of 3M SOFR. The swap will terminate October 7, 2024. The swap qualifies for hedge accounting, and unrealized gains or losses are included as adjustments to other comprehensive income.

(in thousands)

For the year ended March 31, 2023, the Company reported unrealized gains of $1,407 in the consolidated statements of comprehensive income.

12. Pension Plans and Other Postretirement Benefits

The Company maintains several defined benefit pension plans covering substantially all employees hired prior to February 1, 2017. Salaried defined benefit plans were frozen to new entrants effective September 6, 2016 and hourly defined benefit plans were frozen to new entrants effective July 1, 2017. A participating employee's annual postretirement pension benefit is determined by the employee's credited service and, in most plans, final average annual earnings with the Company. Vesting requirements are two years. The Company's funding policy is to annually contribute the statutorily required minimum amount as actuarially determined. The Company also maintains several plans providing other postretirement benefits covering substantially all hourly and certain salaried employees hired prior to July 1, 2017 and February 1, 2017, respectively, these plans also not being available to new entrants after these dates. The Company recognizes actuarially determined liabilities for these benefits, but funds these benefits on a pay-as-you-go basis. The accumulated benefit obligation for all defined benefit plans was $213,188 and $247,409 as of March 31, 2023 and 2022, respectively.

The Company recorded adjustments to other comprehensive income of $1,485 and $13,096, net of tax of $31 and $2,762, with corresponding changes in noncontrolling interest of $1,768 and $3,411 and a decrease of $283 and $9,685 in accumulated other comprehensive loss for the years ended March 31, 2023 and 2022, respectively.

As noted in the table below, operating pension expenses for the years ended March 31, 2023, and 2022 were $4,552 and $5,469, respectively; and other postretirement benefit expenses were $157 and $157, respectively. Also as noted in the table below, non-operating pension expenses for the years ended March 31, 2023, and 2022 were ($36) and $2,618, respectively; and non-operating other postretirement benefit expenses were $(747) and $(610), respectively. The Company's operating pension expenses are included in cost of revenues and the non-operating pension expenses are included in other expense, net.

(in thousands)

	Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022
Components of net periodic benefit cost				
Service cost	$ 4,552	$ 5,469	$ 157	$ 157
Operating expense	4,552	5,469	157	157
Interest cost	9,630	9,288	460	376
Expected return on plan assets	(11,086)	(11,771)	-	-
Amortization of unrecognized:				
Prior service cost (gain)	88	109	(1,062)	(894)
Actuarial loss (gain)	1,332	2,987	(145)	(92)
Settlement/Curtailment Expense	-	2,005	-	-
Non-operating expense	(36)	2,618	(747)	(610)
Net periodic benefit cost	$ 4,516	$ 8,087	$ (590)	$ (453)
Change in benefit obligation				
Benefit obligation - beginning of year	$ 258,629	$ 288,299	$ 12,493	$ 12,344
Service cost	4,552	5,469	157	156
Interest cost	9,630	9,288	460	376
Plan amendments	-	-	960	1,549
Actuarial (gain)/loss	(36,484)	(17,229)	(2,077)	(1,261)
Benefits paid	(14,888)	(27,198)	(513)	(671)
Projected Benefit obligation - end of year	$ 221,439	$ 258,629	$ 11,480	$ 12,493
Change in plan assets				
Fair value of assets - beginning of year	$ 215,280	$ 234,695	$ -	$ -
Actual return on plan assets	(24,717)	6,573	-	-
Employer contributions	1,182	1,210	513	671
Benefits paid	(14,888)	(27,198)	(513)	(671)
Fair value of assets - end of year	$ 176,857	$ 215,280	$ -	$ -
Reconciliation of funded status				
Funded status	$ (44,582)	$ (43,349)	$ (11,480)	$ (12,493)
Net amount accrued	$ (44,582)	$ (43,349)	$ (11,480)	$ (12,493)
Net amount accrued in current liabilities	(277)	(277)	(763)	(715)
Net amount accrued in other liabilities	(44,306)	(43,072)	(10,717)	(11,778)

The amounts recognized in accumulated other comprehensive loss as of March 31, 2023 and 2022, before accumulated tax, are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022
Prior service cost/(credit)	$ 553	$ 641	$ (8,644)	$ (10,666)
Net actuarial loss/(gain)	23,149	25,162	(4,975)	(3,043)
Total	$ 23,702	$ 25,803	$ (13,619)	$ (13,709)

(in thousands)

The amounts recognized in other comprehensive income during the years ended March 31, 2023 and 2022, before tax, are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022
Net actuarial loss (gain)	$ (681)	$ (12,030)	$ (2,077)	$ (1,261)
Prior service cost			960	1,549
Reversal of amortization item:				
Prior service (cost)/credit	(88)	(109)	1,062	894
Net actuarial (gain) loss	(1,332)	(4,992)	145	92
Total recognized in comprehensive (loss) income	$ (2,101)	$ (17,131)	$ 90	$ 1,274

Assumptions

The weighted-average assumptions used to determine net periodic benefit cost were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022
Discount rate	3.84 %	3.37 %	3.81 %	3.26 %
Expected long-term return on plan assets	5.75 %	5.75 %	N/A	N/A
Rate of compensation increase	5.30–8.40%	5.30–8.40%	N/A	N/A

The weighted-average assumptions used to determine the benefit obligation were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2023	2022	2023	2022
Discount rate	5.10 %	3.84 %	5.08 %	3.81 %
Rate of compensation increase	5.30–8.40%	5.30–8.40%	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 yield curve calculation matches the notional cash inflows or hypothetical bond portfolio with the expected benefit payments to arrive at an effective rate.

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

The dates used to measure plan assets and liabilities were March 31, 2023 and 2022 for all plans.

For healthy lives, the company measured benefit obligation using the amounts-weighted rates from the Pri-2012 mortality study with blue- and white-collar adjustments by individual, projected generationally from 2012 with Scale MP-2022 as of March 31, 2023.

(in thousands)

For surviving beneficiaries, the Company measured benefit obligations using the amounts-weighted contingent survivor rates from the Pri-2012 mortality study with blue- and white-collar adjustments by individual, projected generationally from 2012 with Scale MP-2022 as of March 31, 2023.

For disabled lives, the company measured benefit obligation using the amounts-weighted disabled retiree rates from the Pri-2012 mortality study, projected generationally from 2012 with Scale MP-2022 as of March 31, 2023.

Plan Assets

Pension plan assets are invested primarily in stocks, bonds, short-term securities and cash equivalents. The assets of the Company's defined benefit 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 Company's Investment Committee, which has oversight responsibility for the Company's retirement plans.

The following details the asset categories including target allocations for the pension plan as of March 31, 2023 and 2022:

	2023		2022	
	Actual Allocation	Target Allocation	Actual Allocation	Target Allocation
Asset Category				
Equity Securities	51 %	51 %	51 %	51 %
Debt Securities	45 %	45 %	44 %	45 %
Other	4 %	4 %	5 %	4 %

The pension fund assets are invested in accordance with the statement of Investment Policies and Procedures adopted by the Company, 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 5.75% over rolling ten-year periods. This expected rate of return is estimated upon an analysis of historical returns with consideration for the current economic environment.

Contributions

The Company expects to contribute $2,506 to its pension plan and $763 to its other postretirement benefit plans for the year ending March 31, 2024.

(in thousands)

Estimated Future Benefit Payments

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

	Pension Benefits	Other Benefits
Years ending March 31,		
2024	$ 13,855	$ 763
2025	14,069	772
2026	14,290	774
2027	14,484	780
2028	14,682	785
2029-2033	74,254	3,901

Fair Values

The fair values of the Company's plan assets as of March 31, 2023, by asset category are as follows:

	Level 1	Level 2	Total
Asset Category:			
Cash and cash equivalents	$ 49	$ 470	$ 519
Fixed income securities	20,631	57,830	78,461
Preferred securities	-	29	29
Equity securities	7,036	83,618	90,654
Futures contracts	19	-	19
Real estate investments trusts	-	7,175	7,175
Total	$ 27,735	$ 149,122	$ 176,857

The fair values of the Company's plan assets as of March 31, 2022, by asset category are as follows:

	Level 1	Level 2	Total
Asset Category:			
Cash and cash equivalents	$ 65	$ 1,449	$ 1,514
Fixed income securities	24,659	70,871	95,530
Preferred securities	-	33	33
Equity securities	8,693	100,735	109,428
Futures contracts	48	-	48
Real estate investment trusts	-	8,728	8,728
Total	$ 33,465	$ 181,816	$ 215,281

Valuation

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

Level one securities are valued using quoted prices in active markets for identical assets accessible to the company at the measurement date.

(in thousands)

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

Level two equity securities and real estate investment trusts are valued using a market approach based on quoted market prices for similar instruments.

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.

Other Defined Contribution Plans

The Company also sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. The Company matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate. The Company's contribution to these plans was $1,348 and $1,175 for the years ended March 31, 2023 and 2022, respectively.

13. Asset Retirement Obligation

The Company provides for the expected costs to be incurred for the eventual reclamation of mining properties pursuant to local law. All estimates are determined by a third-party contractor who specializes in mine closure evaluations. Included in long-term liabilities as of March 31, 2023 and 2022 were $27,634 and $25,572, respectively, related to these asset retirement obligations. Changes in the carrying amounts of the asset retirement obligation were as follows:

	2023	2022
Balance - beginning of year	$ 25,572	$ 24,371
Change in estimate	841	111
Accretion expense	1,221	1,090
Balance - end of year	$ 27,634	$ 25,572

14. Variable Interest Entity (VIE)

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

ALCAD is an equally-owned joint venture between Tata Chemicals (Soda Ash) Partners (the "Partnership") and Church & Dwight, Inc. ("C&D") (collectively, the "Partners"). The significant activities of ALCAD include (a) managing trona reserves dedicated 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 exclusively to C&D. The Partnership was determined to be the primary beneficiary of ALCAD as it has control over the all significant activities of ALCAD. The Partnership has the obligation to absorb losses and the right to receive benefits from ALCAD that could be significant to ALCAD.

(in thousands)

During the years ended March 31, 2023 and 2022, this VIE earned income of $17,710 and $17,650, respectively, under the contractual arrangements between 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's do not necessarily represent additional claims on the general assets of the Partnership outside of the VIE's; 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's assets that are reported in the Partnership's general assets. The total consolidated VIE assets and liabilities reflected in the Company's consolidated balance sheets are as follows:

	2023	2022
Accounts receivable	$ 6,649	$ 5,789
Total assets	$ 6,649	$ 5,789
Accrued expenses	$ 716	$ 626
Intercompany payable	$ 5,933	$ 5,163
Total liabilities	$ 6,649	$ 5,789
Payables eliminated through consolidation	$ (5,933)	$ (5,163)
Total Consolidated liabilities	$ 716	$ 626

The total accounts receivable of $6,649 and $5,789 are recorded in receivables as of March 31, 2023 and 2022. The liabilities not eliminated in consolidation of $716 and $626 are recorded in accrued liabilities as of March 31, 2023 and 2022.

15. Related Party Transactions

Soda Ash Supply Agreement

Beginning April 2015, Tata Chemicals International Pte Limited ("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 year ended March 31, 2022 , sales under these agreements amounted to $7,175. As of March 31, 2022, amounts due under these agreements totaled $29.

On January 1, 2022, the agreement with TCIPL was terminated. For the year ended March 31, 2023, we had no sales under this agreement. As of March 31, 2023, amounts due under this agreement were $0.

Other

In the ordinary course of business, the Company purchases from, reimburses costs of, and sells soda ash to subsidiaries of TCL. During the years ended March 31, 2023 and 2022, the purchases from and reimbursement of costs of these subsidiaries of TCL amounted to $841 and $810, respectively; and accounts payable amounted to $255 and $337 at March 31, 2023 and 2022, respectively. During

(in thousands)

the years ended March 31, 2023 and 2022, the sales to these subsidiaries of TCL, excluding sales to TCIPL amounted to $0 and $11, respectively.

The Company has an intercompany note receivable from VHI of $100,000 as of March 31, 2023 and 2022, pertaining to the O-I purchase and the refinance of the term loan. Additionally, the Company has a receivable from VHI for various transactions, primarily taxes and interest payments on debt amounting to $5,432 and $3,056 as of March 31, 2023, and 2022, respectively. Additionally, the Company has a payable to VHI of $27,833 for unpaid dividends as of March 31, 2023. The related party receivable with VHI will be settled through dividends. As the related parties are all within the VHI consolidated group, management has the intent and ability to offset the receivables and payables. Consequently, the Company has presented these balances on a net basis on the consolidated balance sheet.

Year Ended March 31, 2023

Note receivable	100,000
Dividend payable	(27,833)
Accounts receivable	5,432
Total net payable	$ 77,599

Year Ended March 31, 2022

Note receivable	100,000
Dividend payable	-
Accounts receivable	3,056
Total net receivable	$ 103,056

16. Leases

The Company is obligated under finance leases that expire at various dates in the future.

The following table provides the lease costs for the year ended March 31, 2023:

Finance lease cost	
Amortization of leased assets	$ 7,965
Interest on lease liabilities	615
Total finance lease cost	$ 8,580
Expensed lease cost	$ 2,679
Total lease cost	$ 11,259

(in thousands)

Short-term lease cost and variable lease cost is not material to the financial statements as of March 31, 2023 and 2022. Amounts reported in the consolidated balance sheet as of March 31, 2023 were as follows:

Finance leases	
Leased assets	$ 34,657
Accumulated amortization	(22,958)
Property, plant and equipment, net	$ 11,699
Current portion of lease liabilities	$ 4,832
Long-term portion of lease liabilities	7,667
Total finance lease liabilities	$ 12,499

Other information related to leases as of March 31, 2023 was as follows:

Weighted average incremental borrowing rates for the finance leases was 4.15%. Weighted average remaining lease term for the finance leases is approximately 63 months.

Future minimum rental payments for leases (primarily for transportation equipment, mining equipment, offices and warehouses) as of March 31, 2023 are as follows:

Years ending March 31,	**Finance Leases**
2024	$ 5,183
2025	3,925
2026	827
2027	571
2028	523
Thereafter	3,485
Total minimum payments	$ 14,514
Less imputed interest	$ (2,015)
Total	$ 12,499

(in thousands)

The following table provides the lease costs for the year ended March 31, 2022:

Finance lease cost	
Amortization of leased assets	$ 7,539
Interest on lease liabilities	640
Total finance lease cost	$ 8,179
Expensed lease cost	$ 1,071
Total Lease Cost	$ 9,250

Amounts reported in the consolidated balance sheet as of March 31, 2022 were as follows:

Finance leases	
Leased assets	$ 28,796
Accumulated amortization	(16,142)
Property, plant and equipment, net	$ 12,654
Current portion of lease liabilities	$ 6,091
Long-term portion of lease liabilities	7,270
Total finance lease liabilities	$ 13,361

Other information related to leases as of March 31, 2022 was as follows:

Weighted average incremental borrowing rates for the finance leases was 3.86%. Weighted average remaining lease term for the finance leases is approximately 50 months.

17. Commitments and Contingencies

The Company 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 Company's financial condition, results of operations or cash flows.

18. Subsequent Events

Subsequent to the balance sheet date, the Company executed a series of legal entity reorganization steps to simplify its organization structure and to eliminate various holding companies. Specific actions included the following:

(in thousands)

Effective April 1, 2023, Tata Chemicals (Soda Ash) Partners, a wholly-owned subsidiary, converted from a Partnership to an LLC, with the company name also changing to Tata Chemicals Soda Ash Partners LLC (“TCSAP”).

On April 3, 2023, TCSAP Holdings contributed its 99% interest in TCSAP to its wholly-owned subsidiary TCSAP LLC, which entity was subsequently merged on April 4, 2023 with TCSAP, with the latter surviving.

The Company has evaluated subsequent events, and the impact on the reported results and disclosures, through May 25, 2023, which is the date these consolidated financial statements were available to be issued and determined no other items to disclose.

******