

## **Independent Auditor's Report**

### **The Board of Directors Valley Holdings Inc.**

We have audited the accompanying standalone Ind AS financial statements of Valley Holdings Inc. ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act').

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the accounting and auditing standards specified under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.



## **Independent Auditor's Report (Continued)**

### **Valley Holdings Inc.**

#### **Auditors' Responsibility (Continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system with respect to standalone Ind AS financial statements and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2018, its profit including other comprehensive income, its changes in equity and cash flows for the year ended on that date.

#### **Other Matters**

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements were audited by the predecessor auditor who expressed an unmodified opinion thereon as per their report dated 21 July 2017. Our opinion is not modified in respect of this matter.



**Independent Auditor's Report (Continued)**

**Valley Holdings Inc.**

**Restriction on distribution or use**

These standalone Ind AS financial statements have been prepared by the Company's Directors solely for the purpose of uploading audited standalone Ind AS financial statements of the Company along with consolidated Ind AS financial statements of Tata Chemicals Limited ("the ultimate holding company") on the website of the ultimate holding company as required under Section 136 of the Act and accordingly may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Vijay Mathur**

*Partner*

Membership No: 046476

Mumbai  
28 May 2018

Valley Holdings Inc.  
Balance Sheet as at 31 March, 2018

Particulars	Notes	As at 31 March, 2018 \$ in '000	As at 31 March, 2017 \$ in '000
<b>I. Assets</b>			
<b>1. Non current assets</b>			
(a) Investment in subsidiary	4	1,012,964	1,012,964
		<u>1,012,964</u>	<u>1,012,964</u>
<b>2. Current assets</b>			
(a) Financial assets (amortised cost)			
(i) Cash and cash equivalents	5	126	4,248
(ii) Other financial assets	6	3,853	3,905
		<u>3,979</u>	<u>8,153</u>
<b>TOTAL</b>		<b>1,016,943</b>	<b>1,021,117</b>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	7	*	*
(b) Other equity	8	1,015,889	1,020,187
		<u>1,015,889</u>	<u>1,020,187</u>
<b>2. Current liabilities</b>			
(a) Financial liabilities (amortised cost)			
(i) Other financial liabilities	9	1,054	930
		<u>1,054</u>	<u>930</u>
<b>TOTAL</b>		<b>1,016,943</b>	<b>1,021,117</b>


\* indicates amount less than \$ one thousand  
Notes forming part of the financial statements

1 to 13

As per our report of even date attached

For BSR & Co. LLP

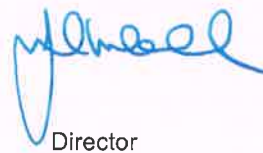
Chartered Accountants  
Firm's Registration No: 101248W/W - 100022

  
Vijay Mathur  
Partner  
Membership No. 046476

Place : MUMBAI  
Date :

28 MAY 2018

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

  
Director

  
Director

Place: MUMBAI  
Date :


28 MAY 2018

Valley Holdings Inc.  
Statement of profit and loss for the year ended 31 March, 2018

Particulars	Notes	For the year ended 31 March, 2018 \$ in '000	For the year ended 31 March, 2017 \$ in '000
<b>I. Revenue from operations</b>		-	-
<b>II. Other income</b>	10	12,341	10,000
<b>III. Total income (I+II)</b>		<b>12,341</b>	<b>10,000</b>
<b>IV. Expenses:</b>			
Other expenses	11	928	667
<b>Total expenses</b>		<b>928</b>	<b>667</b>
<b>V. Profit before tax (III - IV)</b>		<b>11,413</b>	<b>9,333</b>
<b>VI. Tax expenses:</b>			
(a) Current tax		-	-
(b) Earlier year taxes		-	(531)
(c) Tax recoverable (See Note 13 (iii))		(394)	(132)
Total tax benefit (net)	12	(394)	(663)
<b>VII. Profit for the year (V-VI)</b>		<b>11,807</b>	<b>9,996</b>
<b>VIII. Other comprehensive income</b>		-	-
<b>IX. Total comprehensive income</b>		<b>11,807</b>	<b>9,996</b>
<b>EARNINGS PER SHARE</b>	13 (i)		
(Face value per share - \$ 0.01)			
Basic and diluted (\$)		118,070	99,960
Notes forming part of the financial statements	<b>1 to 13</b>		

As per our report of even date attached  
For BSR & Co. LLP

Chartered Accountants  
Firm's Registration No: 101248W/W - 100022

  
Vijay Mathur  
Partner  
Membership No. 046476

Place : MUMBAI  
Date :

28 MAY 2018

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

 Director  
 Director

Place: MUMBAI  
Date :

28 MAY 2018

Valley Holdings Inc.  
Statement of cash flow for the year ended 31 March, 2018

Particulars	Notes	For the year ended	For the year ended
		31 March, 2018	31 March, 2017
		\$ in '000	\$ In '000
<b>A. Cash flow from operating activities :</b>			
Profit before tax		11,413	9,333
Adjustments for :			
Dividend income		(12,341)	(10,000)
<b>Operating (loss) before working capital changes</b>		<b>(928)</b>	<b>(667)</b>
Adjustments for :			
Other financial assets		446	4,898
Other financial liabilities		124	(83)
<b>Net cash generated from / (used in) operating activities</b>		<b>(358)</b>	<b>4,148</b>
<b>B. Cash flow from investing activities :</b>			
Dividend received		12,341	10,000
<b>Net Cash generated from Investing activities</b>		<b>12,341</b>	<b>10,000</b>
<b>C. Cash flow from financing activities :</b>			
Dividend paid and tax thereon		(16,105)	(11,465)
<b>Net cash (used) in financing activities</b>		<b>(16,105)</b>	<b>(11,465)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>(4,122)</b>	<b>2,683</b>
Cash and cash equivalents as at 1 April		4,248	1,565
Cash and cash equivalents as at 31 March	5	126	4,248
<b>Components of cash and cash equivalents</b>			
Bank balances	5	126	4,248
Notes forming part of the financial statements	1 to 13		

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W - 100022

Vijay Mathur

Partner

Membership No. 046476

Place : MUMBAI

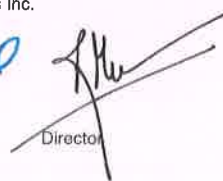
Date :

28 MAY 2018

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



Director



Director

Place: MUMBAI

Date :

28 MAY 2018

Valley Holdings Inc.  
Statement of Changes in Equity for the year ended 31 March, 2018

a. Equity share capital (Note 7)

\$ in '000

Balance as at 31 March, 2017  
Balance as at 31 March, 2018

\* indicates amount less than \$ one thousand

b. Other equity (Note 8)

\$ in '000


Particulars	Retained Earnings	Securities premium reserve	Items of other comprehensive income	Total
<b>Balance as 1 April, 2016</b>	301,014	720,642	-	1,021,656
Profit for the year	9,996	-	-	9,996
Other comprehensive income (net of tax)	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>9,996</b>	-	-	<b>9,996</b>
Dividend including tax on dividend	(11,465)	-	-	(11,465)
<b>Balance as at 31 March, 2017</b>	<b>299,545</b>	<b>720,642</b>	-	<b>1,020,187</b>
Profit for the year	11,807	-	-	11,807
Other comprehensive income (net of tax)	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>11,807</b>	-	-	<b>11,807</b>
Dividend including tax on dividend	(16,105)	-	-	(16,105)
<b>Balance as at 31 March, 2018</b>	<b>295,247</b>	<b>720,642</b>	-	<b>1,015,889</b>

Notes forming part of the financial statements

1 to 13

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W - 100022

  
Vijay Mathur  
Partner  
Membership No. 046476  
Place: MUMBAI  
Date:

28 MAY 2018

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

  
Director

Place: MUMBAI  
Date:

28 MAY 2018

  
Director

**Valley Holdings Inc.**

**Notes to financial statements for the year ended 31 March, 2018**

**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 is located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, in the County of New Castle, United States of America.

**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").

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

These financial statements have been prepared by the Company solely for the purpose of placing the audited financial statements of the Company alongwith the consolidated financial statements of Tata Chemicals Limited ("the ultimate holding company") on the website of the ultimate holding company as required under Section 136 of Companies Act, 2013.

**2.2 Basis of preparation and presentation**

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

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.

These financial statements were approved for issue by the board of directors on 28 May, 2018.

**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 in the statement of profit and loss.

**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 Impairment of investment in subsidiary**

The Company tests its investments for impairment annually, or more frequently when there is an indication that they might be impaired. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.





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 off-set 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 Revenue Recognition**

**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.



Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2018

**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 earnings 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.

**2.4.7 Foreign currency translation**

**Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

**Transactions and balances**

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at statement of financial position date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of profit and loss.

**3 Recent accounting pronouncements**

**Standards issued but not yet effective**

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 21, Foreign currency transactions and advance consideration and Ind AS 115- Revenue from Contract with Customers. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and Ind AS 115- Revenue from Contract with Customers, respectively. The amendments are applicable from 1 April, 2018.

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The requirements of the amendment have no impact on the financial statements as the Company does not have any transactions to which this amendment would apply to.

**Ind AS 115- Revenue from Contracts with Customers:**

On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contracts with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April, 2018.

The requirements of the amendment have no impact on the financial statements since the Company does not have any revenue transactions.



Valley Holdings Inc.  
Notes to financial statements for the year ended 31 March, 2018

4. Non-current investments

	As at 31 March, 2018 \$ in '000	As at 31 March, 2017 \$ in '000
<b>Investments (At cost):</b>		
<b>Investment in equity instruments in subsidiary</b>		
Investment in Tata Chemicals North America Inc. (Common stock 100 of \$ 0.01 fully paid up )	1,012,964	1,012,964
	<u>1,012,964</u>	<u>1,012,964</u>
Aggregate amount of unquoted investments	<u>1,012,964</u>	<u>1,012,964</u>

5. Cash and cash equivalents

	As at 31 March, 2018 \$ in '000	As at 31 March, 2017 \$ in '000
<b>Cash and cash equivalents</b>		
<i>Balances with banks:</i>		
- Bank balances	126	4,248
	<u>126</u>	<u>4,248</u>

6. Other financial assets

	As at 31 March, 2018 \$ in '000	As at 31 March, 2017 \$ in '000
Receivable from related parties (unsecured, considered good) (Refer note 13 (ii))	3,853	3,905
	<u>3,853</u>	<u>3,905</u>



Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2018

7. Equity share capital

	As at 31 March, 2018	As at 31 March, 2017
	\$ in '000	\$ in '000
<b>Authorised</b>		
1000 (2017 : 1000) shares with \$ 0.01 each	*	*
<b>Issued, subscribed and fully paid-up</b>		
100 (2017 : 100) shares	*	*
<b>Total issued, subscribed and fully paid-up share</b>	*	*

\* 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, 2018		As at 31 March, 2017	
	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, 2018	As at 31 March, 2017
	\$ in '000	\$ in '000
Gusiute Holdings (UK) Limited, Holding Company	*	*

\* indicates amounts less than \$ one thousand



Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2018

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

Name of the shareholder	As at 31 March, 2018		As at 31 March, 2017	
	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.

#### 8. Other equity

	As at 31 March, 2018	As at 31 March, 2017
	\$ in '000	\$ in '000
<b>Other equity</b>		
(i) Securities premium reserve	720,642	720,642
(ii) Retained earnings	295,247	299,545
<b>Total other equity</b>	<b>1,015,889</b>	<b>1,020,187</b>

#### The movement in other equity

	Year ended 31 March, 2018	Year ended 31 March, 2017
	\$ in '000	\$ in '000
<b>(i) Securities premium reserve</b>		
Balance at the beginning of the year	720,642	720,642
<b>Balance at the end of the year</b>	<b>720,642</b>	<b>720,642</b>
<b>(ii) Retained earnings</b>		
Balance at the beginning of the year	299,545	301,014
Profit for the year	11,807	9,996
Dividend including tax on dividend	(16,105)	(11,465)
<b>Balance at the end of the year</b>	<b>295,247</b>	<b>299,545</b>



Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2018

9. Other financial liabilities

	As at 31 March, 2018 \$ in '000	As at 31 March, 2017 \$ in '000
<b>Other liabilities</b>		
Accrued expense	148	24
Other liabilities*	906	906
	<b>1,054</b>	<b>930</b>

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

10. Other income

	For the year ended 31 March, 2018 \$ in '000	For the year ended 31 March, 2017 \$ in '000
Dividend income from non-current investment	12,341	10,000
	<b>12,341</b>	<b>10,000</b>

11. Other Expenses

	For the year ended 31 March, 2018 \$ in '000	For the year ended 31 March, 2017 \$ in '000
Donation	750	750
Legal and professional fees	178	(83)
	<b>928</b>	<b>667</b>

12. Tax expenses

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

	For the year ended 31 March, 2018 \$ in '000	For the year ended 31 March, 2017 \$ in '000
Profit before tax	11,413	9,333
Income tax expenses calculated at 30.79 %	3,514	3,267
Effect of income that is exempt from taxation	(3,800)	(3,500)
Impact due to Alternative Minimum Tax	(110)	94
Others	2	7
<b>Tax Recoverable (See Note 13 (iii))</b>	<b>(394)</b>	<b>(132)</b>
Earlier year tax reversal	-	(531)
<b>Income tax recognised in statement of profit and loss</b>	<b>(394)</b>	<b>(663)</b>



Valley Holdings Inc.  
Notes to financial statements for the year ended 31 March, 2018

13. Other Notes

(I) Earnings per Share

		For the year ended 31 March, 2018	For the year ended 31 March, 2017
Basic and Diluted			
(a) Profit after tax	\$ '000	11,807	9,996
(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 )	\$	118,070	99,960

(II) Related Party Disclosure

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

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

(b) Transactions with related parties during the year ended 31st March, 2018 and balances outstanding as at 31st March, 2018.

		Guslute Holdings (UK) Limited, United Kingdom	USD '000 Tata Chemicals North America Inc., United States of America
<u>Transactions with related parties</u>			
Reimbursement of expenses and tax benefit transfer	2018	-	394
	2017	-	132
Received from related parties	2018	-	446
	2017	-	4,898
Dividend income	2018	-	12,341
	2017	-	10,000
Dividend paid (net of withholding taxes)	2018	15,300	-
	2017	10,892	-
<u>Balances due from/to related parties</u>			
Receivable from related parties	2018	-	3,853
	2017	-	3,905



**Valley Holdings Inc.**

**Notes to financial statements for the year ended 31 March, 2018**

(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**

Since the Company is an investment holding company, there is no other reportable segment in the context of Ind AS 108 'Operating segments'. The Company does not have any geographical segments.

**(v) Disclosures on financial instruments**

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

	As at 31 March, 2018	As at 31 March, 2017
	\$ in '000	\$ in '000
<b>Financial assets</b>		
(i) Cash and cash equivalents	126	4,248
(ii) Other financial assets	3,853	3,905
	<u>3,979</u>	<u>8,153</u>
<b>Financial liabilities</b>		
(i) Other financial liabilities	1,054	930
	<u>1,054</u>	<u>930</u>

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

**Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet contractual obligations, and arises principally from the Company's receivables from subsidiaries and cash/bank balances. The carrying amounts of financial assets represent the maximum credit risk exposure.

Receivables from related parties are typically unsecured and relate to reimbursement of expenses and transfer of tax benefit. The credit risk is mitigated by reviewing outstanding receivables periodically and the Company does not foresee any credit risk on its receivables from subsidiaries.

The Company maintains cash and cash equivalents in banks / financial institutions that are held in banks / financial institutions that are generally highly rated. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.


Signatures to notes to financial statement 1 - 13

As per our report of even date attached

For BSR & Co. LLP

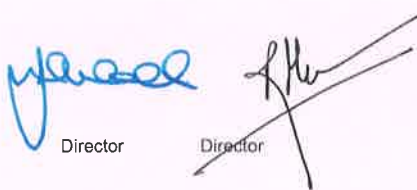
Chartered Accountants

Firm's Registration No: 101248W/W - 100022



Vijay Mathur  
Partner  
Membership No. 046476

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



Director Director

Place : MUMBAI  
Date :

28 MAY 2018

Place: MUMBAI  
Date :

28 MAY 2018