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Tata Chemicals North America Inc. and Subsidiaries

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

Tata Chemicals North America Inc. and Subsidiaries
Index
March 31, 2018 and 2017

	Page(s)
Independent Auditors' Report	1-2
Consolidated Financial Statements	
Statements of Income	3
Statements of Comprehensive Income	4
Balance Sheets	5
Statements of Cash Flows	6
Statements of Changes inEquity	7
Notes to Consolidated Financial Statements	8-32

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

Independent Auditors' Report

To the Board of Directors and Shareholder of
Tata Chemicals North America Inc.:

We have audited the accompanying consolidated financial statements of Tata Chemicals North America Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheet as of March 31, 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

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Other Matter

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

KPMG LLP

Short Hills, New Jersey
June 22, 2018

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Income
Years Ended March 31, 2018 and 2017

(in thousands)	2018	2017
Net revenues	$ 497,599	$ 476,115
Cost of revenues	386,704	377,106
Selling, general and administrative expense	24,613	20,980
Operating profit	86,282	78,029
Interest expense, net	11,237	12,076
Unrealized gain on interest rate swaps	(1,724)	(1,946)
Unrealized loss (gain) on natural gas futures	1,932	(753)
Unrealized loss on foreign exchange forward contracts	74	649
Realized loss (gain) on foreign exchange forward contracts	1,432	(1,434)
Other (income) expense, net	(388)	2,285
Income before tax provision	73,719	67,152
Provision for income taxes	(25,035)	9,328
Net income	98,754	57,824
Net income attributable to noncontrolling interests	28,249	26,261
Net income attributable to Tata Chemicals North America Inc.	$ 70,505	$ 31,563

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended March 31, 2018 and 2017

(in thousands)	2018	2017
Net income	$ 98,754	$ 57,824
Other comprehensive income, net of tax expense		
Defined benefit plan and other adjustments, net of tax of $(2,473) and $(4,130)	11,947	10,338
Comprehensive income	110,701	68,162
Less: Net income attributable to noncontrolling interests	28,249	26,261
Less: Other comprehensive income attributable to noncontrolling interests	3,291	2,451
Comprehensive income attributable to Tata Chemicals North America Inc.	$ 79,161	$ 39,450

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Balance Sheets
March 31, 2018 and 2017

(in thousands, except share data)	2018	2017
Assets		
Current assets		
Cash and cash equivalents	$ 78,282	$ 37,959
Short-term investment	-	30,000
Receivables, net of allowance for doubtful accounts of $308 and $467 (Note 8 & 16)	85,005	81,935
Inventories (Note 8)	23,291	21,415
Prepaid royalties and other current assets	14,624	17,782
Total current assets	201,202	189,091
Property, plant, and equipment, net (Note 5)	202,151	187,525
Goodwill (Note 4)	122,658	122,658
Income tax receivable (Note 10)	27,438	-
Intangible assets—net (Note 4)	718	1,144
Other assets	26,035	16,747
Total assets	$ 580,202	$ 517,165
Liabilities		
Current liabilities		
Accounts payable	$ 36,498	$ 37,005
Current portion of long-term debt (Note 9)	-	10,469
Accrued liabilities (Note 8)	30,108	24,348
Total current liabilities	66,606	71,822
Other liabilities (Note 8)	115,458	125,143
Net investment in deconsolidated subsidiary (Note 11)	16,433	16,433
Long-term debt (Note 9)	221,867	230,286
Total liabilities	420,364	443,684
Commitments and contingencies (Note 17)		
Equity		
Tata Chemicals North America Inc. shareholder's equity:		
Common stock, $0.01 par value; 1,000 shares authorized 100 shares issued and outstanding at March 31, 2018 and 2017	-	-
Paid-in capital	228,845	228,839
Accumulated other comprehensive loss	(24,608)	(33,258)
Accumulated deficit	(99,546)	(168,135)
Total Tata Chemicals North America Inc. shareholder's equity	104,691	27,446
Noncontrolling interest	55,147	46,035
Total equity	159,838	73,481
Total liabilities and equity	$ 580,202	$ 517,165

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended March 31, 2018 and 2017

(in thousands)	2018	2017
Cash flows from operating activities		
Net income	$ 98,754	$ 57,824
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	19,450	17,390
(Income)/ provision of bad debt	(159)	267
Amortization of intangible assets	426	427
Amortization of financing fees	1,582	1,538
Other expense - joint venture	296	549
Deferred tax benefit	(28,273)	2,544
Accretion of asset retirement obligation	1,010	965
Equity in income taxes of affiliate	6	33
Unrealized loss/ (gain) - net	134	(2,050)
Loss on sale of assets	159	158
Changes in assets and liabilities		
(Increase) decrease in receivables	(2,911)	3,214
(Increase) decrease in inventories	(1,876)	2,641
Increase (decrease) in accounts payable	2,649	(2,435)
Increase (decrease) in accrued liabilities	5,005	(5,255)
Increase in other liabilities	3,697	4,702
Decrease in prepaid royalties and other current and non-current assets	3,333	1,276
Net cash provided by operating activities	103,282	83,788
Cash flows used in investing activities		
Capital expenditures	(37,301)	(37,607)
(Purchase) of short-term investments	(23,000)	(30,000)
Sale of short-term investments	53,000	-
Additional contributions to joint venture	(386)	(534)
Net cash used in investing activities	(7,687)	(68,141)
Cash flows used in financing activities		
Repayment of debt and capital lease obligations	(20,503)	(33,651)
Dividends	(12,341)	(10,000)
Cash distributions to noncontrolling interest	(22,428)	(22,229)
Net cash used in financing activities	(55,272)	(65,880)
Increase (decrease) in cash and cash equivalents	40,323	(50,233)
Cash and cash equivalents		
Beginning of year	37,959	88,192
End of year	$ 78,282	$ 37,959
Supplemental information		
Cash paid for income taxes	$ 5,742	$ 7,908
Cash paid for interest	10,453	11,027
Non-cash investing activities		
Accounts payable and accrued liabilities incurred to acquire property and equipment	$ 7,717	$ 10,785
Accrued liability related to Natronx railcar leases	(52)	(58)
Income Tax receivable related to non-current Alternative Minimum tax credit	27,438	-

See notes to consolidated financial statements.

Tata Chemicals North America Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended March 31, 2018 and 2017

(in thousands, except share data)	Shares	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholder's Equity	Noncontrolling Interest	Total Equity
Balance—April 1, 2016	100	$ -	$ 228,806	$ (41,112)	$ (189,698)	$ (2,004)	$ 39,552	$ 37,548
Net income	-	-	-	-	31,563	31,563	26,261	57,824
Distribution to noncontrolling shareholder	-	-	-	-	-	-	(22,229)	(22,229)
Dividends	-	-	-	-	(10,000)	(10,000)	-	(10,000)
Other comprehensive income	-	-	33	7,854	-	7,887	2,451	10,338
Balance—March 31, 2017	100	-	228,839	(33,258)	(168,135)	27,446	46,035	73,481
Net income	-	-	-	-	70,505	70,505	28,249	98,754
Distribution to noncontrolling shareholder	-	-	-	-	-	-	(22,428)	(22,428)
Dividends	-	-	-	-	(12,341)	(12,341)	-	(12,341)
Adoption of ASU 2016 -09	-	-	-	-	10,425	10,425	-	10,425
Other comprehensive income	-	-	6	8,650	-	8,656	3,291	11,947
Balance—March 31, 2018	100	$ -	$ 228,845	$ (24,608)	$ (99,546)	$ 104,691	$ 55,147	$ 159,838

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 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.

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 2018 is defined as the year ended March 31, 2018 and fiscal 2017 is defined as the year ended March 31, 2017.

2. Summary of Significant Accounting Policies

Basis of Consolidation
The accompanying consolidated financial statements reflect the results of operations, financial position and cash flows of the Company, including wholly-owned subsidiaries and Tata Chemicals (Soda Ash) Partners Holdings and subsidiaries ("TCSAP Holdings") of which the Company owns 75%. The Andover Group, Inc. ("Andover"), an indirect wholly owned subsidiary of Owens-Illinois, Inc. owns the remaining 25% interest in TCSAP Holdings. General Chemical Canada Ltd. ("GCCL") is not included and has been deconsolidated due to loss of control (See Note 11). Intercompany balances and transactions are eliminated in consolidation.

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 reviews a customer's credit history before extending credit. The Company records a provision for estimated losses based upon the inability of its customers to make required payments using historical experience. Additionally, the Company will establish a specific allowance for doubtful accounts when it becomes aware of a specific customer's inability or unwillingness to meet its financial obligations (e.g., bankruptcy filing).

Fair Value of Financial Instruments
The fair values of cash and cash equivalents, receivables, and accounts payable approximate their carrying values due to the short-term nature of the instruments. The carrying value of the Company's debt approximates fair value since its debt instruments are at a floating rate and management believes this reflects the terms and conditions that would be available in the market at March 31, 2018 and 2017.

(in thousands)

Income Taxes
The Company is included in the consolidated federal and certain state income tax returns of VHI. The Company accounts for income taxes under Financial Accounting Standards Board ("FASB") Accounting Codification Standard ("ASC") 740, *Income Taxes*. Income taxes are recognized 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 and are adjusted for tax rate changes. Deferred tax assets are valued at the amount that is more likely than not to be realized.

The Company follows ASC 740, which clarifies the accounting for uncertainty in income tax recognized in an entity's consolidated financial statements. ASC 740 requires companies to determine whether it is "more likely than not" that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the consolidated financial statements. For those tax positions where it is "not more likely than not" that a tax benefit will be sustained, no tax benefit is recognized. Where applicable, associated interest and penalties are also recorded.

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

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

Impairment of Long-Lived Assets
Management evaluates the need to recognize impairment losses relating to long-lived assets in accordance with FASB ASC Topic 360, *Property, Plant and Equipment*. Long-lived assets are evaluated for recoverability whenever events or changes in circumstances indicate that an asset may have been impaired. In evaluating an asset for recoverability, we estimate the future undiscounted cash flows expected to result from the use of the asset and eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of the asset, management would write the asset down to fair value and record impairment charges, accordingly. The estimation of fair value is measured by discounting expected future cash flows. The recoverability assessment related to long-lived assets requires judgments and estimates of future revenues, gross margin rates and operating expenses. The Company bases these estimates upon its past and expected future performance. The Company believes its estimates are appropriate in light of current market conditions. However, future impairment charges could be required for certain long-lived assets if the Company does not achieve its current revenue or cash flow projections.

Goodwill and Intangible Assets
Goodwill is not amortized into results of operations, but instead is reviewed for impairment. The Company records impairment losses on goodwill and other intangible assets based upon an annual review of the value of the assets, or when events and circumstances indicate that the asset might be

(in thousands)

impaired and when the carrying value of the asset is more than its fair value. The Company's estimates of fair value are based upon its current operating forecast, which the Company believes to be reasonable. Significant assumptions that underlie the fair value estimates include future growth rates and weighted average cost of capital rates. However, different assumptions regarding the current operating forecast could materially affect the estimate. Intangible assets are attributable to long-term customer relationships and patents and are being amortized on a straight-line basis over periods ranging from 12.75 to 15 years, which estimates the economic useful lives of these assets.

Deferred Financing Costs
Deferred financing costs associated with debt issues are offset against long-term debt and are being amortized over the terms of the related debt using the effective interest and the straight-line methods.

Asset Retirement Obligations
The Company provides for the expected costs to be incurred for the eventual reclamation of properties pursuant to local law. Reclamation costs are being accrued in accordance with FASB ASC 410, *Asset Retirement and Environmental Obligations*. The 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 cost is depreciated over the estimated useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

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

Cash and Cash Equivalents
The 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, interest rate change and foreign exchange rate exposures. All contracts are marked to market and gains and losses are recognized within in the consolidated statement of income. The Company does not hold or issue derivative instruments for trading purposes.

Foreign Currency Translation
Cumulative translation adjustments, arising primarily from consolidating the assets and liabilities of the Company's foreign operations at current rates of exchange as of the respective balance sheet date, are applied directly to shareholder's equity and are included as part of accumulated other comprehensive income or loss. Income and expense items for the Company's foreign operations are translated using monthly average exchange rates. Upon complete sale or liquidation of an

(in thousands)

investment, cumulative translation adjustments are removed from equity and reported in the consolidated statement of income as part of the gain or loss on the sale or liquidation.

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

Employee Medical Benefits
The 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.

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

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

(in thousands)

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

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

On March 30, 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation* ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The Company has early adopted this ASU, as permitted, and as a result of the adoption of ASU 2016-09, the Company recognized an AMT tax credit deferred tax asset of $10,425 with an offsetting credit to Accumulated deficit.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which requires that entities use a current expected credit loss model which is a new impairment model based on expected losses rather than incurred losses. Under this model, an entity would recognize an impairment allowance equal to its current estimate of all contractual cash flows that the entity does not expect to collect from financial assets measured at amortized cost. The entity's estimate would consider relevant information about past events, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2020. We do not expect the adoption of ASU 2016-13 to have a material impact on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, *Compensation — Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.* The new guidance requires companies with sponsored defined benefit pension and/or other postretirement benefit plans to present the service cost component of net periodic benefit cost in the same income statement line item as other compensation costs. The other components of net periodic benefit cost will be presented separately and not included in operating income. In addition, only service costs are eligible to be capitalized as an asset. The standard will be effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, and the guidance will generally be applied retroactively, whereas the capitalization of the service cost component will be applied prospectively. Early adoption is permitted if all of the amendments are adopted in the same period. If an entity early adopts the guidance in an interim

(in thousands)

period, any adjustments must be reflected as of the beginning of the fiscal year that includes that interim period. The new guidance will result in reclassification and changes in presentation in our consolidated statements of income.

In February 2018, the FASB issued ASU 2018-02, *Income Statement – Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.* The guidance permits a reclassification from Accumulated other comprehensive income (loss) to Retained earnings for stranded tax effects resulting from the 2017 Tax Act. ASU 2018-02 is effective for annual reporting periods beginning after December 15, 2018. The Company is evaluating the impact that adopting this guidance will have on the consolidated financial statements.

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. Credit risk of the Company and its counterparties is incorporated in the valuation of assets and liabilities through the use of credit reserves, the impact of which is immaterial for the years ended March 31, 2018 and 2017. The 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.

The Company's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments. The Company's derivative liabilities consist of interest rate swaps, commodity futures contracts and foreign currency forward contracts.

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

(in thousands)

	Fair Value Measurements		
	Level 1	**Level 2**	**Total**
Assets:			
Cash and cash equivalents	$ 78,282	$ -	$ 78,282
Interest rate swaps	-	$ 677	677
Non-qualified pension asset	1,598	-	1,598
Total	$ 79,880	$ 677	$ 80,557
Liabilities:			
Foreign currency forward contracts	$ -	$ 723	$ 723
Commodity futures contracts	-	2,323	2,323
Total	$ -	$ 3,046	$ 3,046

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

	Fair Value Measurements		
	Level 1	**Level 2**	**Total**
Assets:			
Cash and cash equivalents	$ 37,959	$ -	$ 37,959
Short-term investments	30,000	-	30,000
Non-qualified pension asset	1,513	-	1,513
Total	$ 69,472	$ -	$ 69,472
Liabilities:			
Interest rate swaps	$ -	$ 1,047	$ 1,047
Foreign currency forward contracts	-	649	649
Commodity future contracts	-	391	391
Total	$ -	$ 2,087	$ 2,087

Cash and Cash Equivalents, Short-Term Investments and Non-Qualified Pension Assets

Cash equivalents include investments with maturities of three months or less when purchased. The cash equivalents shown in the fair value table are comprised of investments in money market funds. Short-term investments include investment with maturities of more than three months and less than twelve months when purchased. Short-term investments 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, Commodity Futures Contracts and Foreign Currency Forward Contracts

(in thousands)

The inputs used in valuing interest rate swaps, commodity futures contracts and foreign currency forward contracts are other than quoted prices in active markets that are either directly or indirectly observable over the terms of the instruments the Company holds, and accordingly, the Company classifies these derivative liabilities as Level 2 in hierarchy.

4. Goodwill and Intangible Assets

A summary of intangible assets subject to amortization as of March 31, 2018 and 2017 is as follows:

	2018	2017	Useful Life
Customer relationships	$ 6,390	$ 6,390	15 years
Patents	24	24	12.75 years
	6,414	6,414	
Accumulated amortization	5,696	5,270	
Intangible assets—net	$ 718	$ 1,144	

For the years ended March 31, 2018 and 2017, the Company recognized $426 and $427 of amortization expense, respectively. The estimated amortization expense for the years subsequent to March 31, 2018, is as follows:

Years ending March 31,	
2019	426
2020	205
2021	87
Total	$ 718

The Company has $122,658 in goodwill at March 31, 2018 and 2017 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 ended March 31, 2018 and 2017.

(in thousands)

5. Property, Plant and Equipment

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

	2018	2017
Land and improvements	$ 30,258	$ 25,354
Buildings and leasehold improvements	43,696	37,928
Machinery and equipment	260,988	231,316
Construction-in-progress	10,704	18,122
Mines and quarries	32,774	32,685
	378,420	345,405
Less: Accumulated depreciation	176,269	157,880
	$ 202,151	$ 187,525

For the years ended March 31, 2018 and 2017, the Company recognized $19,450 and $17,390 of depreciation expense, respectively.

6. Investment in Joint Venture

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

(in thousands)

7. Accumulated Other Comprehensive Loss

The following table sets forth the components of accumulated other comprehensive loss as of March 31, 2018 and 2017:

	2018	2017
Pension and post retirement plan benefits, net of taxes of $19,434 and $21,907	$ (24,591)	$ (33,241)
Cumulative foreign currency translation adjustment	(17)	(17)
Total accumulated other comprehensive loss	$ (24,608)	$ (33,258)

(in thousands)

8. Additional Financial Information

The summaries of selected balance sheet items as of March 31, 2018 and 2017 are as follows:

	2018	2017
Receivables		
Trade	$ 78,868	$ 76,774
Other	6,445	5,628
Allowance for doubtful accounts	(308)	(467)
	$ 85,005	$ 81,935
Inventories		
Raw materials	$ 9,889	$ 8,415
Work-in-process	100	100
Finished products	13,302	12,900
	$ 23,291	$ 21,415
Accrued Liabilities		
Wages, salaries, and benefits	$ 8,889	$ 7,037
Property, production and other taxes	9,195	8,718
Unrealized loss for commodity futures contracts, interest rate swaps and foreign currency forward contracts	3,046	2,087
Due to related party (Note 16)	396	-
Other	8,572	6,483
Current portion of capital lease obligation	10	23
	$ 30,108	$ 24,348
Other Liabilities		
Accrued pension obligations	$ 66,239	$ 65,725
Accrued other post-retirement benefits	19,071	30,407
Asset retirement obligation	22,798	21,788
Accrued other	7,350	7,213
Capital lease obligation, less current portion	-	10
	$ 115,458	$ 125,143

9. Debt

On August 9, 2013, the Company entered into a credit agreement with several lenders led by J.P. Morgan Chase Bank, N.A. (“JPM”), as administrative agent. The credit agreement provides for a $340,000 credit facility, composed of a $315,000 term loan (“Term loan”) and a $25,000 revolving line of credit (“Revolver”). The borrowing under this facility bears interest at either London Interbank Offered Rate (“LIBOR”) plus applicable margin or an alternate base rate based upon the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBOR for a one month Interest Period on such day plus 1%. The applicable margin on the Term loan and Revolver is 2.75% per annum on LIBOR borrowings and

(in thousands)

1.75% per annum on alternate base rate loans. The Term loan and the Revolver mature on August 9, 2020 and August 9, 2018, respectively.

The Term loan is secured by a first-priority interest in the Company's 75% interest in TCSAP Holdings, the Company's assets, and equity interest in foreign subsidiaries (TCNA (UK) Limited). The Company's term loan is subject to certain covenants including, but not limited to, certain provisions that restrict the Company's ability to make capital expenditures. As of March 31, 2018 and 2017, the Company had $225,300 and $245,769 of total debt outstanding under the Term loan; offset by $3,433 and $5,014 of deferred finance fees, respectively.

The aggregate maturities of debt for each of the three years until maturity subsequent to March 31, 2018, are as follows:

Years ending March 31,		
2019	$	-
2020		-
2021		225,300
Total	$	$ 225,300

10. Income Taxes

Income tax (expense) benefit for the years ended March 31, 2018 and 2017 is summarized below:

	2018	2017
Current		
Federal	$ 3,062	$ 6,450
State	153	306
Foreign	23	27
Total current	3,238	6,783
Deferred		
Federal	(28,148)	2,486
State	(125)	59
Total deferred	(28,273)	2,545
Total	$ (25,035)	$ 9,328

(in thousands)

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

	2018	2017
Pension and post retirement benefits	$ 14,890	$ 27,553
Alternative Minimum Tax ("AMT")	16,741	34,162
Nondeductible accruals	1,367	995
Other		431
Deferred tax assets	32,998	63,141
Valuation allowance	1,814	34,162
Net deferred tax assets	31,184	28,979
Depreciation	2,370	4,285
Partnership basis cancelation of debt loss	3,083	5,516
Intangible assets	157	410
Partnership basis	12,582	14,688
Other	127	-
Deferred tax liabilities	18,319	24,899
Net deferred tax assets	$ 12,865	$ 4,080

Net deferred assets of $12,865 and $4,080 are included in other assets as of March 31, 2018 and 2017, respectively.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code that will affected our fiscal year ended March 31, 2018, including, but not limited to, (1) reducing the U.S. federal corporate tax rate, (2) eliminating the Corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized, (3) requiring a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries that is payable over eight years, and (3) bonus depreciation that will allow for full expensing of qualified property. The Tax Act reduces the federal corporate tax rate to 21 percent during the fiscal year ended March 31, 2018. Section 15 of the Internal Revenue Code stipulates that our fiscal year ended March 31, 2018, will have a blended corporate tax rate of 30.79 percent, which is based on the applicable tax rates before and after the Tax Act and the number of days in the year.

The Securities Exchange Commission staff issued Staff Accounting Bulletin (SAB) 118, which provides guidance on accounting for the tax effects of the Tax Act. While such guidance is not directly applicable to private companies, the FASB does not object if private companies apply SAB 118 and the Company applies SAB 118. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act.

(in thousands)

The Tax Act reduces the U.S. federal corporate tax rate to 21 percent, effective January 1, 2018. We have recorded a provisional decrease of our net deferred tax assets of $559 with a corresponding reduction of the deferred income tax benefit of $559 for the year ended March 31, 2018. While we are able to make a reasonable estimate of the impact of the reduction in corporate rate, it may be affected by other analyses related to the Tax Act, including our calculation of the state effective tax rate and estimated payment to temporary differences upon finalization.

The Company assessed whether its valuation allowance analysis is affected by the Tax Act. As Tax Act eliminated AMT and carry forward AMT credits become realizable in the future, the Company has recorded provisional amounts to release the valuation allowance of $31,651 previously recorded on the AMT tax credit deferred tax asset as of March 31, 2017. The AMT credits that will be realized in the future resulted in a non-current income tax receivable of $27,400 as of March 31, 2018.

For the year ended March 31, 2018, the Company's negative effective income tax rate is preliminarily driven by the release of valuation allowance due to the Tax Act, depletion and a permanent difference on the allocated losses from joint venture investment.

For the year ended March 31, 2017, the Company's effective income tax rate is lower than the statutory Federal income tax rate principally due to depletion and other permanent differences such as domestic manufacturing deduction, partially offset by the valuation allowance.

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, various state jurisdictions and various foreign jurisdictions (UK and Canada). With few exceptions, the Company is not subject to audit by taxing authorities for the calendar years ended prior to December 31, 2010. The Company does not expect its unrecognized positions to change significantly over the next year.

11. GCCL Liquidation and Deconsolidation

On January 19, 2005, the Company's former Canadian subsidiary applied for relief under the Canada's Companies' Creditors Arrangement Act ("CCAA") and, on that date, the court granted GCCL's request for CCAA protection. During the pendency of the action, GCCL was unable to sell its business as a going-concern to any prospective purchaser and had no prospect for restructuring. On November 18, 2005, GCCL was assigned into bankruptcy in accordance with Canada's Bankruptcy and Insolvency Act. As of March 31, 2018, GCCL's receiver was still in the process of consummating various transactions for the sale of GCCL's assets.

As a result of the CCAA filing, TCNA had a loss of control over the financial and operating decisions of GCCL that were exercised by the court-appointed monitor. Therefore, GCCL was deconsolidated as of January 19, 2005, and the investment was accounted for under the cost method. The Company has an overall negative net investment in GCCL due to accumulated losses and has offset the net intercompany receivable balance against the investment account. The Company is carrying its net negative investment in the amount of $16,433 in net investment in deconsolidated subsidiary on its consolidated balance sheets at March 31, 2018 and 2017, until relieved by the Canadian bankruptcy court. The Company does not expect that GCCL's asset liquidation process will be completed in fiscal year 2019. The Company does not believe that it will be required to fund this negative investment balance.

(in thousands)

12. Commodity Futures Contracts, Interest Rate Swaps and Foreign Currency Forward Contracts

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 entering into the commodity futures contracts are to limit the effects of fluctuations in the future market price paid for natural gas and the related volatility in cash flows. The maturities of the contracts are timed to coincide with the expected usage requirement over that period.

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

The Company enters into interest rate swaps to manage its exposure to interest rate variations related to its borrowings. The objective and strategy is to reduce its exposure to variability in expected future cash outflows (forecasted interest payments) attributable to changes in the 3-month LIBOR rate relating to its LIBOR-indexed floating-rate debt (See Note 9).These interest rate swaps are not designated as hedges and are marked to fair value with the resulting gains or losses recorded in unrealized gain on interest rate swaps in the accompanying consolidated statements of income.

At March 31, 2018, the Company has interest rate swaps that began on various dates from November 1, 2013 through September 30, 2017 and end on various dates from March 29, 2019 through August 7, 2020 as follows:

Maturity Date	Interest Rate	Notional Amount
3/29/2019	1.9870%	40,000
3/31/2019	1.2700%	20,000
3/31/2019	1.5300%	20,000
8/7/2020	2.4220%	40,000
Total		$ 120,000

For the years ended March 31, 2018 and 2017, the Company reported an unrealized gain of $1,724 and $1,946, respectively in the consolidated statements of income, respectively. As of March 31, 2018, the Company reported an unrealized gain of $677 in prepaid royalties and other current assets and as of March 31, 2017, the Company reported and unrealized loss of $1,047 in Accrued liabilities in the Company's consolidated balance sheets.

The Company enters into foreign currency forward contracts to manage its exposure to foreign exchange rate variations related to its sales denominated in foreign currencies. The objective and strategy is to reduce the potential for unfavorable changes in foreign exchange rates that may decrease the U.S. dollar value derived from foreign currency denominated sales, primarily pound sterling. These foreign currency forward contracts are not designated as hedges and are marked to fair value with the resulting gains or losses recorded in other expense, net in the accompanying consolidated statements of income.

At March 31, 2018, the Company has twelve pound sterling foreign currency forward contracts with a notional value of £750, each that began on December 8, 2017 and end on various dates from April 28, 2018 through March 29, 2019. For the years ended March 31, 2018 and 2017, the Company

(in thousands)

reported an unrealized loss of $74 and $649 in the consolidated statements of income, respectively. For the years ended March 31, 2018 and 2017, the Company reported a realized loss (gain) of $1,432 and $(1,434) in the consolidated statements of income, respectively. As of March 31, 2018 and 2017, the Company reported an unrealized loss of $723 and $649 on the balance sheets, respectively, included in Accrued liabilities.

13. Pension Plans and Other Postretirement Benefits

The Company maintains several defined benefit pension plans covering substantially all employees. 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. 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. The Company funds these benefits on a pay-as-you-go basis. The accumulated benefit obligation for all defined benefit plans was $246,509 and $236,683 as of March 31, 2018 and 2017, respectively.

The Company reduced the benefit obligation and recorded a past service credit due to a plan amendment of $12,847 during 2018 to reflect a benefit change to its other post-retirement benefits plan. Beginning on January 2, 2018, all current and future hourly retirees, hired prior to July 1, 2017, will receive a fixed employer-paid contribution to a Health Reimbursement Account (“HRA”) upon reaching Medicare eligibility in lieu of the prior group medical plan offered to the group. HRA contributions will be approximately $2 per participant per year or $4 per participant per year if spouse is covered.

The Company recorded adjustments to other comprehensive income of $14,414 and $14,468 with corresponding increases in noncontrolling interest of $3,291 and $2,451 and in equity of $8,656 and $7,887, net of tax of $2,473 and $4,130 for the years ended March 31, 2018 and 2017, respectively.

(in thousands)

	Pension Benefits		Other Postretirement Benefits	
	2018	2017	2018	2017
Components of net periodic benefit cost				
Service cost	$ 5,372	$ 5,431	$ 359	$ 402
Interest cost	10,539	10,388	1,073	1,321
Expected return on plan assets	(11,931)	(11,607)	-	-
Amortization of unrecognized:				
Prior service cost	174	111	(719)	(190)
Actuarial loss (gain)	3,024	4,108	(86)	(90)
Net periodic benefit cost	$ 7,178	$ 8,431	$ 627	$ 1,443
Change in benefit obligation				
Benefit obligation - beginning of year	$ 250,685	$ 251,746	$ 31,854	$ 32,802
Service cost	5,372	5,431	359	402
Interest cost	10,539	10,388	1,073	1,321
Plan amendments	-	930	(12,847)	-
Actuarial (gain)/loss	4,886	(6,723)	1,310	(1,094)
Benefits paid	(11,010)	(11,087)	(1,422)	(1,731)
Retiree Drug Subsidy	-	-	223	154
Benefit obligation - end of year	$ 260,472	$ 250,685	$ 20,550	$ 31,854
Change in plan assets				
Fair value of assets - beginning of year	$ 184,727	$ 177,491	$ -	$ -
Actual return on plan assets	17,302	15,217	-	-
Employer contributions	2,937	3,106	1,422	1,731
Benefits paid	(11,010)	(11,087)	(1,422)	(1,731)
Fair value of assets - end of year	$ 193,956	$ 184,727	$ -	$ -
Reconciliation of funded status				
Funded status	$ (66,516)	$ (65,958)	$ (20,550)	$ (31,854)
Net amount accrued	$ (66,516)	$ (65,958)	$ (20,550)	$ (31,854)

The estimated net actuarial loss and prior service cost for the pension plan that will be amortized from accumulated other comprehensive loss into net periodic benefit cost for the year ended March 31, 2019 are $2,499 and $174, respectively.

The estimated net actuarial gain and net prior service credit for the postretirement plan that will be amortized from accumulated other comprehensive loss into net periodic benefit cost for the year ended March 31, 2018 are $(87) and $(1,243), respectively.

(in thousands)

The amounts recognized in accumulated other comprehensive loss net of tax of $19,434 and $21,907 as of March 31, 2018 and 2017 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2018	**2017**	**2018**	**2017**
Prior service cost/(credit)	$ 1,211	$ 1,386	$ (13,167)	$ (1,039)
Net actuarial loss/(gain)	55,291	58,800	1,127	(269)
Total	$ 56,502	$ 60,186	$ (12,040)	$ (1,308)

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

	Pension Benefits		Other Postretirement Benefits	
	2018	**2017**	**2018**	**2017**
Net actuarial loss/(gain)	$ (485)	$ (10,333)	$ 1,310	$ (1,094)
Prior service cost	-	930	(12,847)	-
Reversal of amortization item:				
Net actuarial (gain)/loss	(3,024)	(4,108)	86	90
Prior service (cost)/credit	(174)	(111)	719	190
Total recognized in comprehensive income	$ (3,683)	$ (13,622)	$ (10,732)	$ (814)

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

	Pension Benefits		Other Postretirement Benefits	
	2018	**2017**	**2018**	**2017**
Current liabilities	$ (277)	$ (233)	$ (1,479)	$ (1,447)
Noncurrent liabilities	(66,239)	(65,725)	(19,071)	(30,407)
Net liability at end of year	$ (66,516)	$ (65,958)	$ (20,550)	$ (31,854)

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

	Pension Benefits		Other Postretirement Benefits	
	2018	**2017**	**2018**	**2017**
Discount rate	4.29 %	4.24 %	4.23 %	4.16 %
Expected long-term return on plan assets	6.50 %	6.50 %	N/A	N/A
Rate of compensation increase	4.5–9.0%	4.5–9.0%	N/A	N/A

(in thousands)

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

	Pension Benefits		Other Postretirement Benefits	
	2018	**2017**	**2018**	**2017**
Discount rate	4.11 %	4.29 %	4.05 %	4.23 %
Rate of compensation increase	4.5–9.0%	4.5–9.0%	N/A	N/A

The discount rate for each plan is determined by discounting the plan's expected future benefit payments using a yield curve developed from high quality bonds as of the measurement date. The 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.

Assumed health care cost trend rates as of March 31, 2018 and 2017 were as follows:

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

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

	Percentage Point Increase	**Percentage Point Decrease**
Effect on total of service and interest cost	$ 15	$ (16)
Effect on postretirement benefit obligation	50	(48)

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

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.

(in thousands)

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

	2018		2017	
	Actual Allocation	**Target Allocation**	**Actual Allocation**	**Target Allocation**
Asset Category				
Equity Securities	50 %	51 %	51 %	51 %
Debt Securities	45 %	45 %	44 %	45 %
Other	5 %	4 %	5 %	4 %

The pension fund assets are invested in accordance with the statement of Investment Policies and Procedures adopted by the 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 6.50% 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 $9,680 to its pension plan and $1,479 to its other postretirement benefit plan for the year ending March 31, 2019.

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,		
2019	$ 12,041	$ 1,479
2020	12,617	1,471
2021	13,146	1,455
2022	13,586	1,448
2023	14,035	1,474
2024–2028	75,814	6,344

(in thousands)

Fair Values

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

	Level 1	Level 2	Level 3	Total
Asset Category:				
Cash and cash equivalents	$ -	$ 1,926	$ -	$ 1,926
Fixed income securities	15,466	71,980	-	87,446
Equity securities	-	96,601	-	96,601
Futures contracts	122	-	-	122
Real estate	-	7,770	-	7,770
Private equity	-	-	91	91
Total	$ 15,588	$ 178,277	$ 91	$ 193,956

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

	Private Equity
Beginning balance - April 1, 2017	$ 491
Total realized/unrealized (losses) gains	25
Purchases, sales and settlements	(425)
Ending balance - March 31, 2018	$ 91

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

	Level 1	Level 2	Level 3	Total
Asset Category:				
Cash and cash equivalents	$ 220	$ 782	$ -	$ 1,002
Fixed income securities	16,566	65,226	-	81,792
Equity securities	-	94,008	-	94,008
Futures contracts	12	-	-	12
Real estate	-	7,422	-	7,422
Private equity	-	-	491	491
Total	$ 16,798	$ 167,438	$ 491	$ 184,727

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

	Private Equity
Beginning balance - April 1, 2016	$ 656
Total realized/unrealized (losses) gains	(19)
Purchases, sales and settlements	(146)
Ending balance - March 31, 2017	$ 491

(in thousands)

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

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

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

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 $627 and $576 for the years ended March 31, 2018 and 2017, respectively.

14. Asset Retirement Obligation

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

	2018	2017
Balance - beginning of year	$ 21,788	$ 20,823
Accretion expense	1,010	965
Balance - end of year	$ 22,798	$ 21,788

15. 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 contributed to it by the Partners, (b) extraction of trona for conversion into soda ash (which ALCAD has outsourced to the Partnership) and (c) distribution of soda ash (which ALCAD has agreed to provide solely to C&D). The Partnership was determined to be the primary beneficiary of ALCAD as it has control over the most significant activities of ALCAD which have been determined to be the managing of the trona reserves

(in thousands)

and extraction of trona and ultimate conversion to soda ash. The Partnership has the obligation to absorb losses and the right to receive benefits from ALCAD that could be significant to ALCAD.

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

The liabilities recognized as a result of consolidating the VIE do not necessarily represent additional claims on the general assets of the Partnership outside of the VIE'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:

	2018	2017
Accounts Receivable	$ 6,123	$ 5,962
Total Assets	$ 6,123	$ 5,962
Minority Interest Payable	$ 682	$ 666
Total Liabilities	$ 682	$ 666

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

16. Related Party Transactions

Soda Ash Supply Agreement

The Partnership has soda ash supply agreements with Owens-Illinois Inc. and its affiliates ("O-I"). These agreements set forth the terms and conditions for the Partnership to supply O-I with soda ash, at established market rates, over the life of the partnership agreement. These agreements, include no specific volume requirements. For the years ended March 31, 2018 and 2017, sales related to these agreements amounted to $105,293 and $111,202, respectively. As of March 31, 2018 and 2017, amounts due under these agreements totaled $16,196 and $23,618, respectively, and are included in receivables. Included in these amounts are sales under the trade finance agreement with Tata Chemicals International Pte Limited ("TCIPL"). Beginning April 2015, TCIPL provides financing for the sale of soda ash by TCSAP to Owens Illinois subsidiary companies in Latin America and Asia Pacific ("O-I LATAM"). TCSAP remains responsible for servicing the O-I LATAM accounts including negotiating pricing, logistical support and quality. TCIPL directly incorporates a finance charge into the final invoice to O-I LATAM. For the years ended March 31, 2018 and 2017, sales to TCIPL under these agreements amounted to $24,965 and $41,865, respectively. As of March 31, 2018 and 2017, amounts due under these agreements totaled $6,649 and $12,638, respectively.

Other

In the ordinary course of business, the Company purchases from, reimburses costs of and sells materials to TCL and certain of its subsidiaries. During the years ended March 31, 2018 and 2017, the purchases from and reimbursement of costs of these subsidiaries of TCL amounted to $1,350 and $1,603, respectively, and accounts payable amounted to $169 and $234 at March 31, 2018 and

(in thousands)

2017, respectively. During the years ended March 31, 2018 and 2017, the sales to these subsidiaries of TCL, excluding sales to TCIPL amounted to $56,341 and $56,033, respectively and accounts receivable at March 31, 2018 and 2017 amounted to $13,383 and $12,747, respectively.

As of March 31, 2018 and 2017, the Company has a related party payable with VHI included in accrued liabilities of $396 and $0, respectively, which relates to federal, state and local taxes payable.

17. Commitments and Contingencies

Future minimum rental payments for capital and operating leases (primarily for transportation equipment, mining equipment, offices and warehouses) having initial or remaining noncancelable lease terms in excess of one year as of March 31, 2018 are as follows:

Years ending March 31,	**Capital Leases**	**Operating Leases**
2019	$ 10	$ 10,696
2020	-	7,492
2021	-	5,104
2022	-	2,974
2023	-	2,188
Thereafter	-	984
Total minimum payments	10	$ 29,438
Less amount representing interest (interest imputed at a rate of 3.25%)	-	
Present value of minimum capital lease payments	10	
Less current portion of capital lease obligation	(10)	
Capital lease obligation, less current portion	$ 0	

Rental expense for the years ended March 31, 2018 and 2017 was $13,896 and $14,362, respectively.

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

The Company has evaluated all events or transactions that occurred after March 31, 2018 through June 22, 2018, the date the consolidated financial statements were issued. On June 13, 2018, the Company amended the Revolver. The applicable margin on the Revolver is 2.25% on LIBOR borrowings and 1.25% on alternate base loans. The Revolver matures on August 9, 2020 if refinanced with the Term loan or 90 days prior to August 9. 2020 if not refinanced with the Term loan.

(in thousands)

There were no other subsequent events that require adjustment to or disclosure in the consolidated financial statements.

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