Tata Chemicals (Soda Ash) Partners and Subsidiaries

Consolidated Financial Statements and Independent Auditors’ Report
March 31, 2016 and 2015

Tata Chemicals (Soda Ash) Partners and Subsidiaries
Index
March 31, 2016 and 2015

Deloitte & Touche LLP
100 Kimball Drive
Parsippany, NJ 07054
USA

Tel: +1 973 602 6000
Fax: +1 973 602 5050
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Partners of
Tata Chemicals (Soda Ash) Partners and Subsidiaries
Green River, Wyoming

We have audited the accompanying consolidated financial statements of Tata Chemicals (Soda Ash) Partners and Subsidiaries (a partnership operated by Tata Chemicals North America, Inc. and The Andover Group, Inc.) (the "Partnership"), which comprise the consolidated balance sheets as of March 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, cash flows and changes in partners' capital for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audits. We conducted our audits 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 auditor's 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 Partnership'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 Partnership'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 audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries as of March 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

June 8, 2016

Tata Chemicals (Soda Ash) Partners and Subsidiaries
Consolidated Statements of Income
Years Ended March 31, 2016 and 2015

(in thousands)	2016	2015
Net revenues	$461,699	$489,790
Less		
Cost of revenues	359,712	361,695
Selling, general and administrative expense	16,593	17,956
Equity loss from joint venture	-	1,042
Impairment of investment in joint venture	-	19,905
Unrealized (gain) loss on natural gas futures	(3,783)	4,939
Interest (income) expense, net	(6)	2
Other expense, net (Note 6)	1,868	228
Net income	87,315	84,023
Net income attributable to noncontrolling interest	8,817	8,264
Net income attributable to Tata Chemicals (Soda Ash) Partners and Subsidiaries	$ 78,498	$ 75,759

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended March 31, 2016 and 2015

(in thousands)	2016	2015
Net income	$87,315	$84,023
Other comprehensive income (loss), net:		
Defined benefit plan adjustments	2,735	(24,052)
Comprehensive income	90,050	59,971
Less: Comprehensive income attributable to the noncontrolling interest	8,817	8,264
Comprehensive income attributable to Tata Chemicals (Soda Ash) Partners and Subsidiaries	$81,233	$51,707

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners and Subsidiaries
Consolidated Balance Sheets
March 31, 2016 and 2015

(in thousands)	**2016**	**2015**
Assets		
Current assets		
Cash and cash equivalents	$ 8,920	$ 19,472
Receivables, net of allowance for doubtful accounts of $190	80,724	98,279
Receivables due from related party (Note 14)	124,442	112,961
Inventories	16,752	11,212
Prepaid royalties and other current assets	18,289	15,213
Total current assets	249,127	257,137
Property, plant and equipment, net	148,496	131,008
Other assets	9,951	10,408
Total assets	$ 407,574	$ 398,553
Liabilities and Partners' Capital		
Current liabilities		
Accounts payable	$ 32,504	$ 37,883
Accrued liabilities	19,640	24,419
Total current liabilities	52,144	62,302
Long-term liabilities	102,884	94,938
Total liabilities	155,028	157,240
Commitments and contingencies (Note 12)		
Partners' capital	252,546	241,313
Total liabilities and partners' capital	$ 407,574	$ 398,553

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended March 31, 2016 and 2015

(in thousands)	2016	2015
Cash flows from operating activities		
Net income	$ 87,315	$ 84,023
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	14,763	13,105
Loss on sale of assets	273	195
Accretion of asset retirement obligation	828	688
Equity loss from investment in joint venture	-	1,042
Other expense - joint venture	1,981	-
Impairment of investment in joint venture	-	19,905
Unrealized (gain) loss on natural gas futures	(3,783)	4,939
Changes in assets and liabilities		
Decrease in receivables	17,555	6,932
(Increase) decrease in receivable due from related party	(11,481)	570
(Increase) in inventories	(5,540)	(1,628)
(Increase) in prepaid royalties and other current assets	(3,076)	(2,895)
Decrease (increase) in other assets	457	(1,052)
(Decrease) in accounts payable	(2,731)	(1,822)
(Decrease) increase in accrued liabilities	(1,718)	1,976
Increase in long-term liabilities	6,046	1,745
Net cash provided by operating activities	100,889	127,723
Cash flows used in investing activities		
Capital expenditures	(31,529)	(27,031)
Investment in joint venture	-	(1,655)
Additional contributions to joint venture (Note 6)	(1,084)	-
Net cash used in investing activities	(32,613)	(28,686)
Cash flows used in financing activities		
Repayments of capital lease obligations	(11)	(11)
Dividends	(70,000)	(85,000)
Cash distributions to noncontrolling interest	(8,817)	(8,264)
Net cash used in financing activities	(78,828)	(93,275)
Net change in cash and cash equivalents	(10,552)	5,762
Cash and cash equivalents		
Beginning of year	19,472	13,710
End of year	$ 8,920	$ 19,472
Non-cash investing activities		
Accounts payable and accrued liabilities incurred to acquire property and equipment	$ 5,366	$ 8,014
Accrued liability related to Natronx railcar leases (Note 6)	$ 897	$ -

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners and Subsidiaries
Consolidated Statements of Changes in Partners' Capital
Years Ended March 31, 2016 and 2015

(in thousands)	Individual Partners' Capital Accounts		Noncontrolling Interest	Total
	TCNA	Andover		
Partners' capital, April 1, 2014	$ 206,091	$ 68,515	$ -	$ 274,606
Net income	56,819	18,940	8,264	84,023
Dividends	(63,750)	(21,250)	-	(85,000)
Distribution to noncontrolling interest	-	-	(8,264)	(8,264)
Other comprehensive income	(18,039)	(6,013)	-	(24,052)
Partners' capital, March 31, 2015	181,121	60,192	-	241,313
Net income	58,874	19,624	8,817	87,315
Dividends	(52,500)	(17,500)	-	(70,000)
Distribution to noncontrolling interest	-	-	(8,817)	(8,817)
Other comprehensive income	2,051	684	-	2,735
Partners' capital, March 31, 2016	$ 189,546	$ 63,000	$ -	$ 252,546

See notes to consolidated financial statements.

(in thousands)

1. Basis of Presentation

Description of Business

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

For the purposes of these consolidated financial statements, fiscal 2016 is defined as the year ended March 31, 2016 and fiscal 2015 is defined as the year ended March 31, 2015.

2. Summary of Significant Accounting Policies

Basis of Consolidation

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

Immaterial Restatement – During the preparation of the Company’s 2016 consolidated financial statements, management determined a revision was required to the previously reported Consolidated Statement of Income for the year ended March 31, 2015 to reclassify certain costs that were incorrectly classified within selling, general and administrative expenses to cost of revenues. Accordingly, the accompanying Consolidated Statement of Income for the year ended March 31, 2015 has been revised by decreasing selling, general, and administrative expenses and increasing cost of revenues by $8,758, respectively, to correct the presentation of these costs in the prior year. This correction had no effect on the accompanying Consolidated Balance Sheet, Statement of Comprehensive Income, Cash Flows or Changes in Shareholder’s Equity (Deficit) of the Company as of and for the year ended March 31, 2015.

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the useful lives of assets, assumptions related to pension and postretirement obligations, cash flow estimates used to test recoverability of assets 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

(in thousands)

estimated losses based upon the inability of its customers to make required payments using historical experience and periodically adjusts these provisions to reflect actual 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).

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

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

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

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

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

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

Property, Plant and Equipment
Certain 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. Mines and machinery and equipment are depreciated using the units-of-production method. 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 periodically 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, the Partnership estimates the future undiscounted cash flows expected to result from the use of the asset and eventual disposition.

(in thousands)

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

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

Revenue Recognition
The Partnership recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. Revenue is recognized from product sales 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 the net revenues and cost of revenues are related shipping and handling fees and costs.

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

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

Noncontrolling Interest
The Partnership accounts for the noncontrolling interest in ALCAD under FASB ASC 810, *Consolidation*, which establishes accounting and reporting standards for the noncontrolling interest in

(in thousands)

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, resulting in an increase to consolidated net income.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09 ("ASU 2014-09"), *Revenue from Contracts with Customers* (Topic 606). This ASU supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)," and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The provisions of ASU 2014-09 are effective for annual periods beginning after December 15, 2018, including interim periods within that reporting period and are to be applied retrospectively; early application is not permitted. We are currently evaluating the effect that this ASU will have on our financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810).* This ASU amends the guidance related to an entity's evaluation of whether they should consolidate certain legal entities. All legal entities are subject to reevaluation under the revised consolidation model. Specifically, the amendments (1) modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities; (2)eliminate the presumption that a general partner should consolidate a limited partnership; (3)affect the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships; (4)provide a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. The amendments are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption, including adoption in an interim period, is permitted. We are currently evaluating the effect that this ASU will have on our financial statements.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory* ("ASU 2015-11"). ASU 2015-11 simplifies the subsequent measurement of inventory by requiring entities to remeasure inventory at the lower of cost and net realizable value, which is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This ASU does not apply to inventory measured using the Last-in, First-out or retail inventory method. This ASU is effective for annual periods beginning after December 15, 2016 and interim periods within annual periods beginning after December 15, 2017. We are currently evaluating the effect that this ASU will have on our financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02") which includes a lessee accounting model that recognizes two types of leases – finance leases and operating leases. The standard requires that a lessee recognize on the balance sheet assets and liabilities for leases with lease terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will depend on its classification as finance or operating lease. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. 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 financial statements.

(in thousands)

In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* ("ASU 2106-08"), 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 2104-09 (Revenue from Contracts with Customers (Topic 606). Accounting Standards Update No. 2015-14 (Revenue from Contracts with Customers (Topic 606): Deferral of Effective Date) deferred the effective date of Update 2014-09 to annual periods beginning after December 15, 2018 and interim periods in the following fiscal year. Early adoption is permitted only as of the interim and annual reporting periods beginning after December 15, 2017. We are currently evaluating the effect that this ASU will have on our financial statements.

(in thousands)

3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. The Partnership makes certain assumptions it believes that market participants would use in pricing assets or liabilities, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. Credit risk of the Partnership and its counterparties is incorporated in the valuation of assets and liabilities through the use of credit reserves, the impact of which is immaterial for the years ended March 31, 2016 and 2015. The Partnership believes it uses valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

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

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

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2016:

	Fair Value Measurements		
	Level 1	Level 2	Total
Assets:			
Cash and cash equivalents	$ 8,920	$ -	$ 8,920
Total	$ 8,920	$ -	$ 8,920
Liabilities:			
Natural gas futures	$ -	$ 1,144	$ 1,144
Total	$ -	$ 1,144	$ 1,144

(in thousands)

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2015:

	Fair Value Measurements		
	Level 1	Level 2	Total
Assets:			
Cash and cash equivalents	$ 19,472	$ -	$ 19,472
Total	$ 19,472	$ -	$ 19,472
Liabilities:			
Natural gas futures	$ -	$ 4,927	$ 4,927
Total	$ -	$ 4,927	$ 4,927

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

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

Nonrecurring measurements
As discussed in Note 6, Investment in Joint Venture, for the year ended March 31, 2015, represents an impairment charge of $19,905 was recorded in Impairment in Joint Venture within the Consolidated Statements of Income related to the full impairment of the Natronx investment. The amount written-off was the cumulative capital contributions offset by the cumulative loss in investment.

4. Inventories

The components of inventories as of March 31, 2016 and 2015 are comprised of the following:

	2016	2015
Raw material	$ 8,461	$ 5,158
Work in process	100	100
Finished products	8,191	5,954
	$ 16,752	$ 11,212

(in thousands)

5. Property, Plant and Equipment

Property, plant and equipment as of March 31, 2016 and 2015 are comprised of the following:

	2016	2015
Land and improvements	$ 53,539	$ 51,629
Machinery and equipment	308,034	292,394
Buildings and leasehold improvements	49,316	44,873
Mines and quarries	28,879	28,694
Construction in progress	12,540	11,265
	452,308	428,855
Less: Accumulated depreciation	303,812	297,847
	$ 148,496	$ 131,008

For the years ended March 31, 2016 and 2015, the Partnership recognized $14,763 and $13,105 of depreciation expense, respectively.

6. Investment in Joint Venture

Effective August 23, 2011, the Partnership, together with Tronox Corporation and Church and Dwight Co. Inc., has a one-third partnership interest in Natronx Technologies, LLC (“Natronx”). Natronx is a joint venture engaged in the development, commercialization, production, marketing, sale or distribution of dry injection sodium products for dry injection acid gas scrubbing markets. The Partnership accounts for Natronx under the equity method. Natronx started business during the third quarter 2012. The Partnership recorded a $19,905 impairment charge associated with this investment during the year ended March 31, 2015. The charge, recorded in impairment of investment in joint venture, is primarily a result of the Partnership’s assessment during the 4th quarter of 2015 of uncertainty surrounding the completion of the manufacturing facility and an estimated decrease in future market demand. The Board of Directors of Natronx has approved the termination of the Natronx business operations in March 2016. Discussions among the owners are proceeding regarding liquidation and dissolution of Natronx. Natronx estimates it will exit the business during the second quarter of 2017. During 2016, the Partnership has recorded additional contributions of $1,084 and an accrued rail car lease liability of $897 to other expense in the income statement. The rail car lease liability represents the Company’s share of rail car lease cost beyond the estimated exit date of the business. As of March 31, 2016 and 2015, the investment in Natronx is valued at $0. Summarized financial information for the Partnership’s investment in Natronx, follows:

Natronx Technologies, LLC
(In thousands)

	2016	2015
Current assets	$ 772	$ 914
Noncurrent assets	-	19,752
Current liabilities	647	761
Partnership's equity in net loss	-	(1,042)

(in thousands)

7. Accrued Liabilities

Accrued liabilities as of March 31, 2016 and 2015 are comprised of the following:

	2016	2015
Wages, salaries and benefits	$ 5,947	$ 6,882
Property, production and other taxes	8,709	8,748
Natural gas futures	1,144	4,927
Other	3,840	3,862
	$ 19,640	$ 24,419

8. Commodity Futures Contracts

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

For the years ended March 31, 2016 and 2015, the Partnership reported a gain of $3,783 and loss of $4,939, respectively, in the consolidated statements of income. Liabilities associated with the commodity futures contracts of $1,144 and $4,927 are included within the accrued liabilities in the balance sheets at March 31, 2016 and March 31, 2015, respectively.

9. Long-Term Liabilities

Long-term liabilities as of March 31, 2016 and 2015 are comprised of the following:

	2016	2015
Accrued other postretirement benefits	$ 28,974	$ 29,979
Accrued pension obligations	46,905	42,348
Asset retirement obligation	20,823	16,353
Accrued other	6,182	6,258
	$ 102,884	$ 94,938

10. Pension Plans and Other Postretirement Benefits

The Partnership maintains two defined benefit pension plans covering substantially all employees. All participating employees' annual postretirement pension benefits are determined by the employee's credited service and final average annual earnings with the Partnership. The Partnership's pension liability is reduced by benefits previously earned under the Tata Chemicals Corporation Salaried and Hourly Employees' Pension Plans, prior to July 1, 1992, and January 1, 1994, respectively. The Partnership's funding policy for both plans is to annually contribute the statutorily required minimum amount actuarially determined. The vesting requirement is five years. The Partnership also maintains several plans providing other postretirement benefits covering substantially all hourly and certain

(in thousands)

salaried employees. The Partnership funds these benefits on a pay-as-you-go basis. The accumulated benefit obligation for all defined benefit plans was $154,923 and $154,544 as of March 31, 2016 and 2015, respectively.

The Partnership recorded adjustments to other comprehensive income of $2,735 and $(24,052) for the years ended March 31, 2016 and 2015, respectively.

	Pension Benefits		Other Postretirement Benefits	
	2016	2015	2016	2015
Components of net periodic benefit cost				
Service cost	$ 4,985	$ 3,957	$ 413	$ 349
Interest cost	6,761	6,356	1,195	1,242
Expected return on plan assets	(7,560)	(7,748)	-	-
Prior service (credit) cost	(156)	(389)	145	145
Net loss	4,107	2,810	248	132
Net periodic benefit cost	$ 8,137	$ 4,986	$ 2,001	$ 1,868
Change in benefit obligation				
Benefit obligation - beginning of year	$ 167,761	$ 133,668	$ 31,258	$ 29,325
Service cost	4,985	3,957	413	349
Interest cost	6,760	6,356	1,195	1,242
Actuarial loss (gain)	(7,568)	29,059	(983)	1,599
Benefits paid	(5,634)	(5,279)	(1,806)	(1,328)
Retiree drug subsidy	-	-	-	71
Benefit obligation - end of year	$ 166,304	$ 167,761	$ 30,077	$ 31,258
Change in plan assets				
Fair value of assets - beginning of year	$ 125,413	$ 115,589	$ -	$ -
Actual return on plan assets	(2,600)	11,657	-	-
Employer contributions	2,220	3,446	1,806	1,328
Benefits paid	(5,634)	(5,279)	(1,806)	(1,328)
Fair value of assets - end of year	$ 119,399	$ 125,413	$ -	$ -
Reconciliation of funded status				
Funded status	$ (46,905)	$ (42,348)	$ (30,077)	$ (31,258)
Net liability amount recognized	$ (46,905)	$ (42,348)	$ (30,077)	$ (31,258)

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost for the year ended March 31, 2017 are $3,304, $111, and $0, respectively.

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the postretirement plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost for the year ended March 31, 2017 are $234, $145, and $0, respectively.

(in thousands)

The amounts recognized in partners' capital accounts as of March 31, 2016 and 2015 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2016	**2015**	**2016**	**2015**
Prior service cost/(credit)	$ 567	$ 411	$ 225	$ 370
Net actuarial (gain)/loss	58,510	60,025	6,398	7,629
Total	$ 59,077	$ 60,436	$ 6,623	$ 7,999

The amounts recognized in other comprehensive income during the years ended March 31, 2016 and 2015 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2016	**2015**	**2016**	**2015**
Net actuarial loss/(gain)	$ 2,592	$ 25,151	$ (983)	$ 1,599
Prior service cost/(credit)	-	-	-	-
Reversal of amortization item:				
Net actuarial gain/(loss)	(4,107)	(2,810)	(248)	(132)
Prior service credit/(cost)	156	389	(145)	(145)
Total recognized in other comprehensive income (loss)	$ (1,359)	$ 22,730	$ (1,376)	$ 1,322

The amounts recognized in the consolidated balance sheets as of March 31, 2016 and 2015 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2016	**2015**	**2016**	**2015**
Current liabilities	$ -	$ -	$ (1,103)	$ (1,279)
Noncurrent liabilities	(46,905)	(42,348)	(28,974)	(29,979)
Net liability at end of year	$ (46,905)	$ (42,348)	$ (30,077)	$ (31,258)

(in thousands)

Assumptions

The weighted-average assumptions used to determine the benefit obligation for the years ended March 31, 2016 and 2015 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2016	**2015**	**2016**	**2015**
Discount rate	4.30 %	4.12 %	4.18 %	4.01 %
Rate of compensation increase	4.5–9.0%	4.5–9.0%	N/A	N/A

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2016 and 2015 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2016	**2015**	**2016**	**2015**
Discount rate	4.12 %	4.72 %	4.01 %	4.55 %
Expected long-term return on plan assets	6.50 %	7.00 %	N/A	N/A
Rate of compensation increase	4.5–9.0%	4.5–9.0%	N/A	N/A

The discount rate for each plan is determined by discounting the plan's expected future benefit payments using a yield curve developed from high quality bonds as of the measurement date. The yield curve calculation matches the notional cash inflows or hypothetical bond portfolio with the expected benefit payments to arrive at an effective rate by plan.

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

Assumed health care costs trend rates as of March 31, 2016 and 2015 are as follows:

	2016	**2015**
Health care cost trend rate assumed for next year	8.00%/7.50%	8.25%/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	2027/2025	2027/2025

(in thousands)

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

	One-Percentage Point Increase	One-Percentage Point Decrease
Effect on total of service and interest cost	$ 10	$ (12)
Effect on postretirement benefit obligation	211	(254)

The date used to measure plan assets and liabilities was March 31, 2016 and 2015, for all plans. Pension plan assets are invested primarily in stocks, bonds, short-term securities, and cash equivalents.

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

The following details the asset categories including allocations for the pension plan as of March 31, 2016 and 2015:

	2016		2015	
	Actual Allocation	Target Allocation	Actual Allocation	Target Allocation
Asset Category				
Equity securities	52 %	51 %	51 %	51 %
Debt securities	44 %	45 %	44 %	45 %
Other	4 %	4 %	5 %	4 %

The pension fund assets are invested in accordance with the statement of investment policies and procedures adopted by the Partnership, which are reviewed annually. Pension fund assets are invested on a going-concern basis with the primary objective of providing reasonable rates of return consistent with available market opportunities, a quality standard of investment, and moderate levels of risk. The expected rate of return is expected to be 6.5% over rolling 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 Partnership expects to contribute $2,123 to its pension plan and $1,220 to its other postretirement benefit plan for the year ending March 31, 2017.

(in thousands)

Estimated Future Benefit Payments

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

	Pension Benefits	Other Benefits
Years ending March 31,		
2017	$ 6,117	$ 1,220
2018	6,556	1,429
2019	7,011	1,553
2020	7,567	1,617
2021	8,110	1,672
2022–2026	47,379	8,868

Fair Values

The fair values of the Partnership's plan assets as of March 31, 2016, by asset category are as follows:

	Level 1	Level 2	Level 3	Total
Asset Category:				
Cash and cash equivalents	$ 148	$ 24	$ -	$ 172
Fixed income securities	12,093	40,230	-	52,323
Equity securities	-	61,625	-	61,625
Futures contracts	(12)	-	-	(12)
Real estate	-	4,850	-	4,850
Private equity	-	-	441	441
Total	$ 12,229	$ 106,729	$ 441	$ 119,399

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

	2016 Private Equity
Beginning balance - April, 2015	$ 706
Total realized/unrealized gains/(losses)	(159)
Purchases, sales and settlements	(106)
Ending balance - March 31, 2016	$ 441

(in thousands)

The fair values of the Partnership's plan assets as of March 31, 2015, by asset category are as follows:

	Level 1	Level 2	Level 3	Total
Asset Category:				
Cash and cash equivalents	$ 63	$ 627	$ -	$ 690
Fixed income securities	12,898	43,273	-	56,171
Equity securities	-	62,848	-	62,848
Futures contracts	33	-	-	33
Real estate	-	4,965	-	4,965
Private equity	-	-	706	706
Total	$ 12,994	$ 111,713	$ 706	$ 125,413

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

	2015 Private Equity
Beginning balance - April, 2014	$ 824
Total realized/unrealized gains/(losses)	(166)
Purchases, sales and settlements	48
Ending balance - March 31, 2015	$ 706

Valuation
Cash and cash equivalents are held in a commingled fund.

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

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

Real estate and 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 Partnership also sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. The Partnership matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate. The Partnership's contribution to these plans was $365 and $349 for the years ended March 31, 2016 and 2015, respectively.

(in thousands)

11. Asset Retirement Obligation

The Partnership provides for the expected costs to be incurred for the eventual reclamation of mining properties pursuant to local law. Included in long-term liabilities as of March 31, 2016 and 2015 was \$20,823 and \$16,353, respectively, related to these asset retirement obligations. The changes in the carrying amounts of the asset retirement obligations which are included in long term liabilities for the years ending March 31, 2016 and 2015 are as follows:

	2016	2015
Balance - beginning of year	$ 16,353	$ 12,885
Additions	3,642	2,780
Accretion expense	828	688
Balance - end of year	$ 20,823	$ 16,353

12. Commitments and Contingencies

The Partnership has capital and operating leases that expire on various dates through 2023. Minimum annual rental commitments for such leases as of March 31, 2016 are as follows:

Years ending March 31,	Capital Leases	Operating Leases
2017	$ 12	$ 11,424
2018	12	9,221
2019	5	3,928
2020	-	1,328
2021	-	1,171
Thereafter	-	1,056
Total minimum payments	29	$ 28,128
Less amount representing interest (interest imputed at a rate of 3.25%)	(1)	
Present value of minimum capital lease payments	28	
Less current portion of capital lease obligation	(11)	
Capital lease obligation, less current portion	$ 17	

Total rent expense for the years ended March 31, 2016 and 2015 was \$14,464 and \$12,643, respectively.

(in thousands)

The Partnership is involved in certain claims, litigation, administrative proceedings and investigations relative to environmental and other matters. Although the amount of any ultimate liability which could arise with respect to these matters cannot be accurately predicted, it is the opinion of management, based upon currently available information and the accruals established that any such liability will not have a material adverse effect on the Partnership's financial condition, results of operations or cash flows. As of March 31, 2016 and March 31, 2015, the Partnership has recorded approximately $0 and $650, respectively, in accruals related to pending matters.

13. Variable Interest Entities (VIEs)

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

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

During the years ended March 31, 2016 and 2015, this VIE earned income of $17,633 and $16,529, respectively, under the contractual arrangements with the Partnership, 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 VIEs do not necessarily represent additional claims on the general assets of the Partnership outside of the VIEs; rather, they represent claims against the specific assets of the consolidated VIEs. Conversely, assets recognized as a result of consolidating the VIE do not necessarily represent additional assets that could be used to satisfy claims against the Partnership's general assets. There are no restrictions on the VIE assets that are reported in the Partnership's general assets. The total consolidated VIE assets and liabilities reflected in the Partnership's consolidated balance sheets are as follows:

	2016	**2015**
Accounts Receivable	$ 5,905	$ 5,321
Total Assets	$ 5,905	$ 5,321
Minority Interest Payable	$ 672	$ 605
Total Liabilities	$ 672	$ 605

The total accounts receivable of $5,905 and $5,321 are recorded in Receivables as of March 31, 2016 and 2015, respectively. The Minority Interest Payable of $672 and $605 are recorded in Accrued Liabilities as of March 31, 2016 and 2015, respectively.

(in thousands)

14. Related-Party Transactions

Service Agreement
The Partnership has a service agreement under which Tata Chemicals North America Inc. ("TCNA"), the controlling partner, provides certain management and administrative services to the Partnership. The cost of such services allocated to the Partnership for the years ended March 31, 2016 and 2015 was $10,524 and $10,872, respectively and accounts payable at March 31, 2016 and 2015 amounted to $2,748 and $1,058, respectively.

Soda Ash Supply Agreement
The Partnership has soda ash supply agreements with Owens-Illinois Inc. and its affiliates ("O-I"). These agreements set forth the terms and conditions for the Partnership to supply O-I with soda ash, at established market rates, over the life of the partnership agreement. These agreements, include no specific volume requirements. For the years ended March 31, 2016 and 2015, sales related to these agreements amounted to $94,984 and $92,495, respectively. As of March 31, 2016 and 2015, amounts due under these agreements totaled $16,502 and $18,553, 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, 2016 and 2015, sales under these agreements amounted to $30,179 and $0, respectively. As of March 31, 2016 and 2015, amounts due under these agreements totaled $7,932 and $0, respectively.

Other
The Partnership supplies soda ash to TCNA. In the years ended March 31, 2016 and 2015, sales to TCNA aggregated to $0 and $2,591, respectively. The Partnership also supplies soda ash to TCNA (UK) Limited ("TCNA UK"), a 100% owned subsidiary of TCNA. In the years ended March 31, 2016 and 2015, sales to TCNA UK aggregated to $13,167 and $0, respectively and accounts receivable at March 31, 2016 and 2015 amounted to $13,167 and $0, respectively.

In the ordinary course of business, the Partnership sells materials to Tata Chemicals Limited ("TCL"), TCNA's ultimate parent, and its subsidiaries. During the years ended March 31, 2016 and 2015, the sales to TCL and its subsidiaries, excluding sales to TCIPL amounted to $35,682 and $42,710, respectively and accounts receivable at March 31, 2016 and 2015 amounted to $11,903 and $18,656, respectively. Additionally, during the years ended Mar 31, 2016 and 2015 the reimbursement of costs from these subsidiaries of TCL amounted to $51 and $0, respectively and account payable amounted to $8 and $0 at March 31, 2016 and 2015, respectively.

As of March 31, 2016 and 2015, the Partnership has a receivable of approximately $114,000 and $113,000, respectively recorded in Receivables due from related party on the consolidated balance sheet. This balance primarily relates to cash transfers to Tata Chemicals (Soda Ash) Partners Holdings in respect to repayment of a term loan, revolver, deferred financing charges and interest.

(in thousands)

15. Subsequent Events

The Partnership's management has evaluated all events or transactions that occurred after March 31, 2016 through June 8, 2016 the date the financial statements were issued. There are no subsequent events that require adjustment to or disclosure in the consolidated financial statement.

******