

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

**Consolidated Financial Statements and
Independent Auditors' Report
March 31, 2019 and 2018**

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

Table of Content

	Page(s)
Independent Auditors' Report	1
Consolidated Financial Statements	
Statements of Income	2
Statements of Comprehensive Income	3
Balance Sheets	4
Statements of Cash Flows	5
Statements of Changes in Equity	6
Notes to Consolidated Financial Statements	7-25



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

Independent Auditors' Report

To the Partners of
Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries:

We have audited the accompanying consolidated financial statements of Tata Chemicals (Soda Ash) Partners Holdings 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, 2019 and 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the years 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 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 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 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, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Salt Lake City, Utah
May 30, 2019

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Consolidated Statements of Income
For the Years Ended March 31, 2019 and 2018

	2019	2018
<i>(In thousands)</i>		
Net revenues	\$ 465,455	\$ 490,875
Less		
Cost of revenues - excluding depreciation	346,914	362,512
Cost of revenues - depreciation	<u>19,144</u>	<u>18,348</u>
Total cost of revenues	366,058	380,860
Selling, general and administrative expense	17,800	22,281
Loss on disposition of long lived assets	<u>1,811</u>	<u>159</u>
Operating profit	79,786	87,575
Interest income, net	(808)	(211)
Unrealized (gain) loss on natural gas futures (Note 7)	(1,980)	1,932
Other expense (income), net	<u>3</u>	<u>(288)</u>
Net income	82,571	86,142
Net income attributable to noncontrolling interest	<u>8,527</u>	<u>8,928</u>
Net income attributable to Tata Chemicals (Soda Ash) Partners and subsidiaries	<u>\$ 74,044</u>	<u>\$ 77,214</u>

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended March 31, 2019 and 2018

	2019	2018
<i>(In thousands)</i>		
Net income	\$ 82,571	\$ 86,142
Other comprehensive income:		
Defined benefit plan adjustments (Note 9)	<u>1,656</u>	<u>13,164</u>
Comprehensive income	84,227	99,306
Less: Comprehensive income attributable to the noncontrolling interest	<u>8,527</u>	<u>8,928</u>
Comprehensive income attributable to Tata Chemicals (Soda Ash) Partners and Subsidiaries	<u>\$ 75,700</u>	<u>\$ 90,378</u>

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Consolidated Balance Sheets
As of March 31, 2019 and 2018

	2019	2018
<i>(In thousands)</i>		
Assets		
Current assets		
Cash and cash equivalents	\$ 52,997	\$ 31,636
Receivables, net of allowance for doubtful accounts of \$190 and \$298 (Note 13)	77,733	82,229
Receivables due from related parties (Note 13)	3,895	8,143
Inventories (Note 4)	17,989	16,920
Prepaid expenses and other current assets	<u>3,433</u>	<u>8,327</u>
Total current assets	156,047	147,255
Property, plant and equipment—net (Note 5)	203,238	190,708
Other assets	<u>11,993</u>	<u>11,423</u>
Total assets	<u>\$ 371,278</u>	<u>\$ 349,386</u>
Liabilities and Equity		
Current liabilities		
Accounts payable (Note 13)	\$ 29,287	\$ 34,657
Accrued liabilities (Note 6)	<u>20,029</u>	<u>22,566</u>
Total current liabilities	49,316	57,223
Long-term liabilities (Note 8)	<u>90,164</u>	<u>91,065</u>
Total liabilities	139,480	148,288
Commitments and contingencies (Note 11)		
Non-controlling interest - equity	-	-
Partners' equity	<u>231,798</u>	<u>201,098</u>
Total liabilities and equity	<u>\$ 371,278</u>	<u>\$ 349,386</u>

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2019 and 2018

	2019	2018
<i>(In thousands)</i>		
Cash flows from operating activities		
Net income	\$ 82,571	\$ 86,142
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	19,144	18,348
Bad debt (income) expense	(108)	(159)
Loss on disposal of assets	1,811	159
Accretion of asset retirement obligation	710	1,010
Other expense - joint venture	50	296
Unrealized hedge (gain) loss	(1,980)	1,932
Changes in assets and liabilities:		
Decrease (Increase) in receivables	4,605	(6,085)
Decrease in receivables from related parties	4,248	2,369
(Increase) in inventories	(1,069)	(645)
Decrease in prepaid expenses and other current assets	4,892	6,615
(Increase) in other assets	(570)	(417)
(Decrease) increase in accounts payable	(1,537)	1,777
(Decrease) increase in accrued liabilities	(553)	1,534
Increase in long-term liabilities	46	4,480
	<u>112,260</u>	<u>117,356</u>
Net cash provided by operating activities		
Cash flows used in investing activities		
Capital expenditures	(37,317)	(36,795)
Additional contributions to joint venture	(50)	(386)
	<u>(37,367)</u>	<u>(37,181)</u>
Net cash used in investing activities		
Cash flows used in financing activities		
Repayments of capital lease obligations	(5)	(12)
Distributions	(45,000)	(54,000)
Cash distributions to noncontrolling interest	(8,527)	(8,928)
	<u>(53,532)</u>	<u>(62,940)</u>
Net cash used in financing activities		
Net change in cash and cash equivalents	21,361	17,235
Cash and cash equivalents		
Beginning of year	<u>31,636</u>	<u>14,401</u>
End of year	<u>\$ 52,997</u>	<u>\$ 31,636</u>
Supplemental disclosure of cash flow information		
Interest paid during the year	\$ -	\$ (12)
Non-cash investing activities		
Accounts payable and accrued liabilities incurred to acquire property and equipment	\$ 3,549	\$ 7,382
Accrued liability related to Natronx	\$ -	\$ (52)

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended March 31, 2019 and 2018

<i>(In thousands)</i>	Individual Partners' Equity Accounts (1)		Partners' Equity	Noncontrolling Interest	Total Equity
	TCNA	Andover			
Equity, March 31, 2017	\$ 123,678	\$ 41,042	\$ 164,720	\$ -	\$ 164,720
Net income	57,910	19,304	77,214	8,928	86,142
Distributions	(40,500)	(13,500)	(54,000)	-	(54,000)
Distribution to noncontrolling interest	-	-	-	(8,928)	(8,928)
Other comprehensive income	9,873	3,291	13,164	-	13,164
Equity, March 31, 2018	150,961	50,137	201,098	-	201,098
Net income	55,533	18,511	74,044	8,527	82,571
Distributions	(33,750)	(11,250)	(45,000)	-	(45,000)
Distribution to noncontrolling interest	-	-	-	(8,527)	(8,527)
Other comprehensive income	1,242	414	1,656	-	1,656
Equity, March 31, 2019	<u>\$ 173,986</u>	<u>\$ 57,812</u>	<u>\$ 231,798</u>	<u>\$ -</u>	<u>\$ 231,798</u>

(1) Based upon partner's interest in Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries.

See notes to consolidated financial statements.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended March 31, 2019 and 2018

(In thousands)

1. Basis of Presentation

Description of Business

Tata Chemicals (Soda Ash) Partners Holdings and its subsidiaries (collectively, "TCSAP Holdings" 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 Holdings supplies soda ash to a broad range of industrial customers primarily in the following markets: glass production, sodium-based chemicals, detergents, pulp and paper, and water treatment. TCSAP Holdings is a partnership of which 75% is owned by Tata Chemicals North America Inc. and subsidiaries ("TCNA"), an indirect, wholly owned subsidiary of Tata Chemicals Ltd. and 25% is owned by Andover Group, Inc., an indirect, wholly owned subsidiary of Owens-Illinois.

On August 23, 2011, the Partnership, together with Tronox Corporation and Church and Dwight Co. Inc., partnered to create Natronx Technologies, LLC ("Natronx"). As of March 31, 2019, this entity has been terminated with no significant remaining assets or liabilities.

For the purposes of these consolidated financial statements, fiscal 2019 is defined as the year ended March 31, 2019 and fiscal 2018 is defined as the year ended March 31, 2018.

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. The Partnership and Church & Dwight Co., Inc. ("C&D") each have a 50% interest in ALCAD. The Partnership consolidates this sub-partnership as it has the ability to exercise control over the most significant activities of ALCAD, and thus has concluded the Partnership is the primary beneficiary of this variable interest entity (see Note 13). The portion of ALCAD that is not owned is reflected as a noncontrolling interest in the accompanying consolidated financial statements. All intercompany balances and transactions have been eliminated.

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 the useful lives of assets, assumptions related to pension and postretirement obligations and the estimated asset retirement obligation. Actual results could differ from those estimates.

Receivables and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. Management periodically reviews customer's credit history and extends credit accordingly. The Company records a provision for estimated losses based upon historical experience. Additionally, the Company will establish a specific allowance for doubtful accounts when it becomes aware of a specific customer's inability or unwillingness to meet its financial obligations.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended March 31, 2019 and 2018

(In thousands)

Income Taxes

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

U.S. GAAP requires management to evaluate tax positions taken by the Partnership and recognize a tax liability if the Partnership has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Partnership has analyzed the tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Partnership has determined that there is no tax liability resulting from unrecognized tax benefits related to uncertain income tax positions taken or expected to be taken on the tax return for the years ended March 31, 2019 and 2018. Tax years subject to examination include 2015 forward for all tax returns.

Derivative Financial Instruments

Derivative financial instruments are used to mitigate natural gas purchase—price exposure. All contracts are marked-to-market and changes in value are recognized within cost of revenues in the period of the change. 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 or severance tax payments based on the selling price of soda ash. Royalties and severance taxes are included as a component of cost of revenues.

Cash and Cash Equivalents

The 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 net realizable value, with cost being determined using the average cost method. Product inventory costs include depreciation, maintenance, labor, energy, material and factory overhead.

Property, Plant and Equipment

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 over the estimated useful lives of the assets, using estimated lives which range from 2 to 50 years. Leasehold improvements are amortized over the lesser of the useful life of the asset or term of the lease. Major additions and improvements are capitalized, while costs for minor replacements, maintenance and repairs that do not increase the useful life of an asset are expensed as incurred. The resulting gain or loss is reflected in selling, general and administrative expense in the consolidated statements of operations. Upon sale or

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended March 31, 2019 and 2018

(In thousands)

retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and a resulting gain or loss is recorded.

Property, Plant, and Equipment useful lives

Land improvements	5 to 20 years
Buildings	10 to 30 years
Furniture & fixtures	7 to 10 years
Office equipment	5 to 10 years
Computers & software	3 to 5 years
Machinery & equipment	5 to 20 years
Mineral leases	Units of production over group's life
Panel belting	2 to 4 years
Mainline belting	5 years
Mines & quarries	10 to 50 years

Impairment of Long-Lived Assets

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. If the sum of the expected future cash flows is less than the carrying amount of the asset, management accordingly writes the asset down to fair value and records impairment charges. 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. There were no impairment charges as of March 31, 2019 or March 31, 2018.

Asset Retirement Obligations

The Partnership provides for the expected costs to be incurred for the eventual reclamation of properties pursuant to local laws. 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 recognizing a liability for an asset retirement obligation, an entity also capitalizes the cost of the reclamation by recognizing an increase in the carrying amount of the related long-lived asset. Over time, the liability is accreted to its future value each period, and the capitalized costs of the related long-lived assets are depreciated over their estimated useful lives. An entity ultimately either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

Revenue Recognition

The Partnership recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured. Delivery has

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended March 31, 2019 and 2018

(In thousands)

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 gross revenues and cost of revenues are related shipping and handling 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 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 change frequently, 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 remediation is probable and the costs can be reasonably estimated.

Noncontrolling Interest

The Partnership accounts for the noncontrolling interest in ALCAD as a component of equity in the consolidated financial statements.

Reclassifications

Certain amounts in prior years have been reclassified to conform to the 2019 presentation. Reclassified amounts were not material to the financial statements. A reclassification has been made on the statement of income to separately present the amounts of depreciation that are a component of cost of revenues. Loss on disposition of long-lived assets was also reclassified out of other (income) expense to a separate line under operating income.

Recent Accounting Pronouncements

In May 2014, Accounting Standards Update (ASU) No. 2014-09 was issued which, together with subsequent amendments, is included in ASC 606, *Revenue from Contracts with Customers*. This ASU provides a five-step approach for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The ASU also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. The provisions of ASU 2014-09 are effective for annual periods beginning after December 15, 2018. This ASU will be adopted by the Partnership using the modified retrospective method on April 1, 2019.

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02") which, together with subsequent amendments, is included in ASC 842, *Leases*. The ASU includes a lessee accounting model that recognizes two types of leases – finance leases and operating leases. The standard requires all operating leases with an initial term greater than one year to be recorded on the balance

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended March 31, 2019 and 2018

(In thousands)

sheet as a right-of-use (ROU) asset with a related lease liability. Certain qualitative and quantitative disclosures are also required. The update is effective in fiscal years, including interim periods, beginning after December 15, 2018. The Company will adopt ASU 2016-02 on April 1, 2019 using the modified retrospective approach with a cumulative-effect adjustment recorded at the beginning of the period of adoption and using certain, allowed, optional practical expedients. Therefore the Company will recognize and measure leases without revising comparative period information or disclosure. For certain leases with similar characteristics, the Company may apply a portfolio approach when measuring ROU assets and lease liabilities.

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 for 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. The Company will adopt this standard on April 1, 2019. The Company is still completing its assessment of the impact of the adoption of this ASU on the consolidated financial statements.

In January 2016, ASU No. 2016-01, *Financial Instruments – Overall* was issued related to financial instruments. This ASU was amended in February 2018 by ASU No. 2018-03, *Technical Corrections and Improvements to Financial Instruments – Overall*. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim period, beginning after December 15, 2017, and upon adoption, the cumulative effect of applying the guidance is to be recognized. The Company adopted this standard on April 1, 2018 with no impact.

In August 2017, ASU No. 2017-12, *Derivatives and Hedging*, was issued related to hedge accounting. The new guidance expands the ability to hedge non-financial risk components, eliminates the current requirement to separately measure and report hedge ineffectiveness, and requires the entire change in fair value of a hedging instrument to be presented in the same income statement line as the hedged item, when reclassified from partners' capital. The guidance also eases certain hedge effectiveness documentation and assessment requirements. This update is effective in fiscal years, including interim periods, beginning after December 15, 2019. Historically, the Company has marked all hedges to market and has not employed hedge accounting. The Company anticipates adopting this ASU on April 1, 2019.

In August 2018, ASU No. 2018-14, *Compensation – Retirement Benefits – Defined Benefit Plan – General*, was issued to modify and enhance disclosure requirements for defined benefit plans. This update is effective in fiscal years, including interim periods, beginning after December 15, 2021, and early adoption is permitted. The Company is still completing its assessment of the impact and anticipated adoption date of this update.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(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. The credit risk of the Partnership and its counterparties is incorporated in the valuation of certain assets and liabilities through the use of credit reserves, the impact of which is immaterial for the years ended March 31, 2019 and 2018. 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, 2019:

	Fair Value Measurements		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Assets—cash equivalents	\$ 52,997	\$ -	\$ 52,997
Total	<u>\$ 52,997</u>	<u>\$ -</u>	<u>\$ 52,997</u>
Liabilities—natural gas futures	\$ -	\$ 343	\$ 343
Total	<u>\$ -</u>	<u>\$ 343</u>	<u>\$ 343</u>

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

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

	Fair Value Measurements		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Assets—cash equivalents	\$ 31,636	\$ -	\$ 31,636
Total	\$ 31,636	\$ -	\$ 31,636
Liabilities—natural gas futures	\$ -	\$ 2,323	\$ 2,323
Total	\$ -	\$ 2,323	\$ 2,323

Cash Equivalents

Cash equivalents include investments with maturities of three months or less when purchased. 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.

Natural Gas Futures

The inputs used in valuing natural gas futures are a regional basis forward price quoted by a third-party service and accordingly, the Partnership classifies these net derivative liabilities as Level 2.

4. Inventories

The components of inventories as of March 31, 2019 and 2018 are comprised of the following:

	2019	2018
Raw material - Trona	\$ 11,376	\$ 9,889
Work in process	100	100
Finished products	<u>6,513</u>	<u>6,931</u>
	<u>\$ 17,989</u>	<u>\$ 16,920</u>

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

5. Property, Plant and Equipment

Property, plant and equipment as of March 31, 2019 and 2018 are comprised of the following:

	2019	2018
Land and improvements	\$ 61,364	\$ 58,984
Machinery and equipment	352,752	330,268
Buildings and leasehold improvements	57,339	55,191
Mines and quarries	28,842	28,842
Construction in progress	<u>11,579</u>	<u>10,199</u>
	511,876	483,484
Less accumulated depreciation	<u>308,638</u>	<u>292,776</u>
	<u>\$ 203,238</u>	<u>\$ 190,708</u>

For the years ended March 31, 2019 and 2018, the Partnership recognized \$19,144 and \$18,348 of depreciation expense, respectively.

6. Accrued Liabilities

Accrued liabilities as of March 31, 2019 and 2018 are comprised of the following:

	2019	2018
Wages, salaries and benefits	\$ 7,323	\$ 7,341
Property, production and other taxes	9,263	9,198
Natural gas futures	343	2,323
Other	<u>3,100</u>	<u>3,704</u>
	<u>\$ 20,029</u>	<u>\$ 22,566</u>

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

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

For the years ended March 31, 2019 and 2018, the Partnership reported a gain of \$1,980 and a loss of \$1,932, respectively, in the consolidated statements of income. Liabilities associated with the commodity futures contracts of \$343 and \$2,323 are included within accrued liabilities in the balance sheets at March 31, 2019 and 2018, respectively. As of March 31, 2019 the notional amounts of the natural gas futures are \$14,708, expiring by December 2020.

8. Long-Term Liabilities

Long-term liabilities as of March 31, 2019 and 2018 are comprised of the following:

Accrued other postretirement benefits	\$ 15,639	\$ 17,949
Accrued pension obligations	45,092	44,513
Asset retirement obligation	23,508	22,798
Accrued other	<u>5,925</u>	<u>5,805</u>
	<u>\$ 90,164</u>	<u>\$ 91,065</u>

9. Pension Plans and Other Postretirement Benefits

The Partnership maintains two defined benefit pension plans covering substantially all employees hired prior to February 1, 2017. Salaried defined benefit plans were frozen to new entrants effective February 1, 2017 and hourly defined benefit plans were frozen to new entrants effective July 1, 2017. 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 funding policy for both plans is to annually contribute the statutorily required minimum amount actuarially determined. The vesting requirement was five years. The Partnership also maintains several plans providing other postretirement benefits covering substantially all hourly and certain salaried employees hired prior to July 1, 2017 and February 1, 2017, respectively, these plans also not being available to new entrants after these dates. The Partnership recognizes actuarially determined liabilities for these benefits, but funds these benefits on a pay-as-you-go basis. The accumulated benefit obligation for all defined benefit plans was \$147,637 and \$140,628 as of March 31, 2019 and 2018, respectively.

The Partnership reduced the benefit obligation and recorded a past service credit due to a plan amendment of \$11,820 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, receive a fixed employer-paid contribution to a Health Reimbursement Account ("HRA") upon reaching Medicare eligibility in lieu of the prior group medical plan. HRA contributions will be approximately \$2 per participant per year or \$4 per participant per year if a spouse is covered.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

During 2018, the Partnership also recorded a net transfer out of \$27,191 of pension benefit obligation and a net transfer out of \$27,331 of plan assets as the plans were amended December 1, 2017. The objective of this asset and liability transfer is to consolidate benefits for participants with accrued benefits in two or more plans with the Partnership or with TCNA. Following the transfer, each participant now only has an accrued benefit in one single plan.

The Partnership recorded adjustments to other comprehensive income of \$1,656 and \$13,164 for the years ended March 31, 2019 and 2018, respectively. The Partnership's net periodic benefit cost shown below is included in cost of revenues. TCNA also has net periodic benefit costs related to its pension and postretirement benefit plans (not included in the table below), and to the extent these are passed through to the Partnership, they are included in selling, general, and administrative expense.

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
Components of net periodic benefit cost				
Service cost	\$ 5,045	\$ 4,836	\$ 269	\$ 359
Interest cost	6,172	7,235	703	1,005
Expected return on plan assets	(6,729)	(8,161)	-	-
Prior service (credit) cost	174	174	(798)	(330)
Amortization of losses	<u>2,507</u>	<u>2,445</u>	<u>219</u>	<u>272</u>
Net periodic benefit cost	<u>\$ 7,169</u>	<u>\$ 6,529</u>	<u>\$ 393</u>	<u>\$ 1,306</u>
Change in benefit obligation				
Benefit obligation—beginning of year	\$ 151,888	\$ 169,438	\$ 19,284	\$ 29,173
Service cost	5,045	4,836	269	359
Interest cost	6,172	7,235	703	1,005
Plan amendments	-	-	-	(11,820)
Net Transfer In/(Out)	2,349	(27,191)	-	-
Actuarial loss (gain)	(1,234)	3,328	(2,535)	1,637
Benefits paid	(4,641)	(5,758)	(1,134)	(1,287)
Retiree drug subsidy	-	-	170	217
Projected Benefit obligation—end of year	<u>\$ 159,579</u>	<u>\$ 151,888</u>	<u>\$ 16,757</u>	<u>\$ 19,284</u>
Change in plan assets				
Fair value of assets—beginning of year	\$ 107,375	\$ 125,782	\$ -	\$ -
Actual return on plan assets	3,440	12,049	-	-
Employer contributions	6,883	2,633	1,134	1,287
Net Transfer In/(Out)	1,429	(27,331)	-	-
Benefits paid	<u>(4,641)</u>	<u>(5,758)</u>	<u>(1,134)</u>	<u>(1,287)</u>
Fair value of assets—end of year	<u>\$ 114,486</u>	<u>\$ 107,375</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of funded status				
Funded status	<u>\$ (45,093)</u>	<u>\$ (44,513)</u>	<u>\$ (16,757)</u>	<u>\$ (19,284)</u>
Net liability amount recognized	<u>\$ (45,093)</u>	<u>\$ (44,513)</u>	<u>\$ (16,757)</u>	<u>\$ (19,284)</u>
Net Liability amount recognized in current liabilities	\$ -	\$ -	\$ (1,119)	\$ (1,335)
Net Liability amount recognized in non-current liabilities	<u>(45,092)</u>	<u>(44,513)</u>	<u>(15,639)</u>	<u>(17,949)</u>

The estimated net actuarial loss and prior service cost for the pension plans that will be amortized from partners' equity into net periodic benefit cost for the year ending March 31, 2020 are \$2,597 and \$174, respectively.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

The estimated net actuarial loss and prior service credit for the postretirement plans that will be amortized from partners' equity into net periodic benefit cost for the year ending March 31, 2020 are \$150 and \$(798), respectively.

The amounts recognized in partners' capital accounts as of March 31, 2019 and 2018 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
Prior service cost (credit)	\$ 1,039	\$ 1,212	\$ (10,612)	\$ (11,410)
Net actuarial loss	<u>46,866</u>	<u>46,391</u>	<u>3,784</u>	<u>6,537</u>
Total	<u>\$ 47,905</u>	<u>\$ 47,603</u>	<u>\$ (6,828)</u>	<u>\$ (4,873)</u>

The amounts recognized in other comprehensive income during the years ended March 31, 2019 and 2018 are summarized below:

	Pension Benefits		Benefits	
	2019	2018	2019	2018
Net actuarial loss (gain)	\$ 2,976	\$ (421)	\$ (2,535)	\$ 1,637
Prior service cost (credit)	-	-	-	(11,820)
Amortization:				
Net actuarial gain (loss)	(2,502)	(2,445)	798	(272)
Prior service credit (cost)	<u>(174)</u>	<u>(174)</u>	<u>(219)</u>	<u>330</u>
Total recognized in other comprehensive income (loss)	<u>\$ 300</u>	<u>\$ (3,040)</u>	<u>\$ (1,956)</u>	<u>\$ (10,125)</u>

Assumptions

The weighted-average assumptions used to determine the benefit obligation for the years ended March 31, 2019 and 2018 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
Discount rate	4.15 %	4.15 %	4.01 %	4.06 %
Rate of compensation increase	5.3%–8.4%	4.5%–9.0%	N/A	N/A

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2019 and 2018 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2019	2018	2019	2018
Discount rate	4.15 %	4.34 %	4.06 %	4.25 %
Expected long-term return on plan assets	6.25 %	6.50 %	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 discount rate is the single rate that, when used to discount the expected, future benefit payments, will give the same result as the yield curve calculation.

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, 2019 and 2018 are as follows:

	2019	2018
Health care cost trend rate assumed for next year	7.25 %	7.50 %
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 may 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	\$ 1	\$ (1)
Effect on postretirement benefit obligation	26	(26)

The date used to measure plan assets and liabilities was March 31, 2019 and 2018, for all plans. Pension plan assets are invested primarily in stocks, bonds, short-term securities, and cash equivalents.

For healthy lives, the Company measured benefit obligations using the 2006 base rates from the RP-2014 mortality study for employees and healthy annuitants, projected generationally with MP-2018

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

Projection Scale with blue and white collar adjustments by individual in selecting mortality assumptions as of March 31, 2019.

For disabled lives, the Company measured benefit obligations using the 2006 base rates from the RP-2014 mortality study for disabled retirement mortality, projected generationally with MP-2018 Projection Scale in selecting mortality assumptions as of March 31, 2019.

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, 2019 and 2018:

Asset Category	2019		2018	
	Actual Allocation	Target Allocation	Actual Allocation	Target Allocation
Equity securities	51 %	51 %	50 %	51 %
Debt securities	45 %	45 %	45 %	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 6.25% over rolling 30 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 \$6,770 to its pension plan and \$1,119 to its other postretirement benefit plan for the year ending March 31, 2020.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(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		
2020	\$ 5,429	\$ 1,119
2021	6,096	1,120
2022	6,668	1,128
2023	7,266	1,169
2024	7,806	1,142
2025-2029	44,967	5,026

Fair Values

The fair values of the Partnership's plan assets as of March 31, 2019, by asset category are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset category:				
Cash and cash equivalents	\$ -	449	\$ -	\$ 449
Fixed income securities	8,563	42,473	-	51,036
Preferred securities	-	119	-	119
Equity securities	4,698	53,307	-	58,005
Futures contracts	141	-	-	141
Real estate investment trusts	-	4,697	-	4,697
Private equity	-	-	40	40
Total	<u>\$ 13,402</u>	<u>\$ 101,045</u>	<u>\$ 40</u>	<u>\$ 114,487</u>

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

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

	Private Equity
Beginning balance—April 1, 2018	\$ 50
Total realized/unrealized gains (losses)	(40)
Purchases, sales, transfers and settlements	<u>30</u>
Ending balance—March 31, 2019	<u>\$ 40</u>

The fair values of the Partnership'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	\$ -	1,065	\$ -	\$ 1,065
Fixed income securities	8,562	39,849	-	48,411
Equity securities	-	53,479	-	53,479
Futures contracts	68	-	-	68
Real estate investment trusts	-	4,302	-	4,302
Private equity	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
Total	<u>\$ 8,630</u>	<u>\$ 98,695</u>	<u>\$ 50</u>	<u>\$ 107,375</u>

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

	Private Equity
Beginning balance—April 1, 2017	\$ 334
Total realized/unrealized gains (losses)	14
Purchases, sales and settlements	<u>(298)</u>
Ending balance—March 31, 2018	<u>\$ 50</u>

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 and real estate investment trusts are valued using a market approach based on quoted market prices for similar instruments within each respective fund.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

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 \$646 and \$478 for the years ended March 31, 2019 and 2018, respectively.

10. 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, 2019 and 2018 were \$23,508 and \$22,798, respectively, related to these asset retirement obligations. Changes in the carrying amounts of the asset retirement obligations were as follows:

	2019	2018
Balance—beginning of year	\$ 22,798	\$ 21,788
Additions	72	-
Accretion expense	<u>638</u>	<u>1,010</u>
Balance—end of year	<u>\$ 23,508</u>	<u>\$ 22,798</u>

11. Commitments and Contingencies

The Partnership has leases that expire on various dates through 2024, none of which were capital leases. Minimum annual rental commitments for non-cancellable leases as of March 31, 2019 are as follows:

Years ending March 31	Operating Leases
2020	\$ 9,205
2021	7,094
2022	4,661
2023	2,655
2024	51
Thereafter	<u>-</u>
Total minimum payments	<u>\$ 23,666</u>

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

Total rent expense for the years ended March 31, 2019 and 2018 was \$13,166 and \$13,587, respectively.

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.

12. Variable Interest Entity (VIE)

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

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

During the years ended March 31, 2019 and 2018, this VIE earned income of \$17,053 and \$17,855, respectively, under the contractual arrangements between the Partners, 50% of which was recorded as net income attributable to noncontrolling interests in the consolidated statements of income.

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

	2019	2018
Accounts receivable	<u>\$ 5,524</u>	<u>\$ 6,123</u>
Total assets	<u>\$ 5,524</u>	<u>\$ 6,123</u>
Accrued expenses	\$ 602	\$ 682
Intercompany payable	<u>\$ 4,922</u>	<u>\$ 5,441</u>
Total liabilities	<u>\$ 5,524</u>	<u>\$ 6,123</u>
Payables eliminated through consolidation	<u>\$ (4,922)</u>	<u>\$ (5,441)</u>
Total Consolidated liabilities	<u>\$ 602</u>	<u>\$ 682</u>

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended March 31, 2019 and 2018

(In thousands)

The accounts receivable of \$5,524 and \$6,123 are recorded in receivables as of March 31, 2019 and 2018, respectively. The minority interest payable of \$602 and \$682 are recorded in accrued liabilities as of March 31, 2019 and 2018, respectively.

There is no exposure of losses related to the Partnership's involvement with the VIE as there are only receivables, payables, and there were no other assets contributed.

13. Related-Party Transactions

Service Agreement

The Partnership has a service agreement under which TCNA provides certain management and administrative services to the Partnership. The cost of such services allocated to the Partnership for the years ended March 31, 2019 and 2018 was \$9,274 and \$12,788, respectively and accounts payable at March 31, 2019 and 2018, amounted to \$757 and \$1,551, 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, 2019 and 2018, sales related to these agreements amounted to \$89,367 and \$105,293, respectively. As of March 31, 2019 and 2018, amounts due under these agreements totaled \$16,063 and \$16,196, respectively, and are included in receivables. Included in these amounts are sales under the trade finance agreement with Tata Chemicals International Pte Limited ("TCIPL"). 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, 2019 and 2018, sales under these agreements amounted to \$13,760 and \$24,965, respectively. As of March 31, 2019 and 2018, amounts due under these agreements totaled \$5,311 and \$6,649, respectively.

Other

The Partnership supplies soda ash to TCNA (UK) Limited ("TCNA UK"), a 100% owned subsidiary of TCNA. In the years ended March 31, 2019 and 2018, sales to TCNA UK aggregated to \$9,250 and \$23,316, respectively, and accounts receivable at March 31, 2019 and 2018 amounted to \$3,970 and \$9,599, respectively. TCNA has the intent and the ability to offset the payable due from the Partnership of \$757 and \$1,551 for the years ended March 31, 2019 and 2018, respectively, (see above under Service Agreement) with the amounts due to the Partnership from its wholly owned subsidiary TCNA UK, so intercompany payables and receivables are combined. The Partnership also pays for various expenses on behalf of TCNA and is then reimbursed which creates an additional receivable of \$682 and \$96 for the years ended March 31, 2019 and 2018. Consequently, for the years ended March 31, 2019 and 2018, there is an amount due from related parties of \$3,895 and \$8,143, respectively that is recorded in receivables due from related party on the consolidated balance sheet. These payable and receivable balances are summarized in the table below.

Tata Chemicals (Soda Ash) Partners Holdings and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended March 31, 2019 and 2018

(In thousands)

Year Ended March 31, 2019	<u>TCNA</u>	<u>TCUK</u>	<u>Total</u>
Intercompany accounts payable	(757)	-	(757)
Intercompany accounts receivable	<u>682</u>	<u>3,970</u>	<u>4,652</u>
Total net receivable	<u>\$ (75)</u>	<u>\$ 3,970</u>	<u>\$ 3,895</u>
Year Ended March 31, 2018	<u>TCNA</u>	<u>TCUK</u>	<u>Total</u>
Intercompany accounts payable	(1,551)	-	(1,551)
Intercompany accounts receivable	<u>96</u>	<u>9,598</u>	<u>9,694</u>
Total net receivable	<u>\$ (1,455)</u>	<u>\$ 9,598</u>	<u>\$ 8,143</u>

In the ordinary course of business, the Partnership sells soda ash to Tata Chemicals Limited (“TCL”), TCNA’s ultimate parent, and its subsidiaries. During the years ended March 31, 2019 and 2018, the sales to TCL and its subsidiaries, excluding sales to TC IPL amounted to \$19,967 and \$30,109, respectively and accounts receivable at March 31, 2019 and 2018 amounted to \$8,539 and \$11,055, respectively. Additionally, during the years ended March 31, 2019 and 2018 the reimbursement of costs from TCL and subsidiaries amounted to \$30 and \$92, respectively, and account payable amounted to \$0 and \$22 at March 31, 2019 and 2018, respectively.

14. Subsequent Events

The Partnership’s management has evaluated all events or transactions that occurred after March 31, 2019 through May 30, 2019 the date the consolidated financial statements were issued. There are no subsequent events that require adjustment to or disclosure in the consolidated financial statements.
