

Valley Holdings Inc.

Special Purpose Financial Statements
together with the
Independent Auditors' Report
for the year ended 31 March 2019

Valley Holdings Inc.

Special Purpose Financial Statements together with the Independent Auditors' Report

for the year ended 31 March 2019

Contents

Independent Auditors' Report

Balance Sheet

Statement of Profit and Loss

Cash Flow Statement

Statement of Changes in Equity

Notes to the financial statements

B S R & Co. LLP

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Independent Auditors' Report To the Board of Directors Valley Holdings Inc.

Report on the Audit of the Special Purpose Standalone Financial Statements

Opinion

We have audited the accompanying special purpose Standalone Financial Statements ('standalone financial statements') of Valley Holdings Inc. ('the Company') which comprise the Standalone Balance Sheet as at 31 March 2019 and the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements"). These Standalone Financial Statements have been prepared by the Company's management as described in Note 2.1 to the standalone financial statements.

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Indian Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019 and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date in accordance with the basis described in Note 2.1 to the standalone financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the standalone financial statements

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

Independent Auditors' Report (Continued)

Valley Holdings Inc.

Management's Responsibility for the standalone financial statements (Continued)

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Independent Auditors' Report (*Continued*)

Valley Holdings Inc.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (*Continued*)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters - Basis of standalone financial statements and Restriction on distribution or use

We draw your attention to Note 2.1 to the standalone financial statements, which describes the basis and purpose of these standalone financial statements. These standalone financial statements have been prepared by the Company's Directors solely for the purpose of uploading the audited standalone financial statements of the Company along with consolidated financial statements of Tata Chemicals Limited ("the ultimate holding company") on the website of the ultimate holding company as required under Section 136 of the Act read with Section 129(3) of the Act.

Accordingly these standalone financial statements may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent.

Our opinion on the special purpose standalone financial statements is not modified in respect of the above matters.

For B S R & Co. LLP
Chartered Accountants

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



Vijay Mathur
Partner

Membership No:046476

Mumbai
3 May 2019

Valley Holdings Inc.
Balance Sheet as at 31 March, 2019

Particulars	Notes	As at 31 March, 2019 \$ in '000	As at 31 March, 2018 \$ in '000
I. Assets			
1. Non current assets			
(a) Investment in subsidiary	4	1,012,964	1,012,964
		<u>1,012,964</u>	<u>1,012,964</u>
2. Current assets			
(a) Financial assets (amortised cost)			
(i) Cash and cash equivalents	5	244	126
(ii) Other financial assets	6	3,605	3,853
		<u>3,849</u>	<u>3,979</u>
TOTAL		<u>1,016,813</u>	<u>1,016,943</u>
II. Equity and liabilities			
Equity			
(a) Equity share capital	7	*	*
(b) Other equity	8	1,015,860	1,015,889
		<u>1,015,860</u>	<u>1,015,889</u>
2. Current liabilities			
(a) Financial liabilities (amortised cost)			
(i) Other financial liabilities	9	953	1,054
		<u>953</u>	<u>1,054</u>
TOTAL		<u>1,016,813</u>	<u>1,016,943</u>

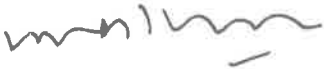
* indicates amount less than \$ one thousand
Notes forming part of the financial statements

1 to 13

As per our report of even date attached

For B S R & Co. LLP

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


Vijay Mathur
Partner
Membership No. 046476

Place : Mumbai, India
Date : 3 May 2019

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


Director


Director


Place: United States of America
Date : 23 April, 2019

Valley Holdings Inc.
Statement of profit and loss for the year ended 31 March, 2019

Particulars	Notes	For the year ended 31 March, 2019 \$ in '000	For the year ended 31 March, 2018 \$ in '000
I. Revenue from operations		-	-
II. Other income	10	20,000	12,341
III. Total income (I+II)		<u>20,000</u>	<u>12,341</u>
IV. Expenses:			
Other expenses	11	180	928
Total expenses		<u>180</u>	<u>928</u>
V. Profit before tax (III - IV)		<u>19,820</u>	<u>11,413</u>
VI. Tax expenses:			
(a) Current tax		-	-
(b) Earlier year taxes		-	-
(c) Tax recoverable (See Note 13 (iii))		(2)	(394)
Total tax benefit (net)	12	<u>(2)</u>	<u>(394)</u>
VII. Profit for the year (V-VI)		<u>19,822</u>	<u>11,807</u>
VIII. Other comprehensive income			-
IX. Total comprehensive income		<u>19,822</u>	<u>11,807</u>
EARNINGS PER SHARE	13 (i)		
(Face value per share - \$ 0.01)			
Basic and diluted (\$)		198,220	118,070
Notes forming part of the financial statements	1 to 13		

As per our report of even date attached
For B S R & Co. LLP

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


Vijay Mathur
Partner
Membership No. 046476

Place : Mumbai, India
Date : 3 May 2019

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


Director


Director

Place: United States of America
Date : 23 April, 2019

Valley Holdings Inc.
Statement of cash flow for the year ended 31 March, 2019

Particulars	Notes	For the year ended	For the year ended
		31 March, 2019	31 March, 2018
		\$ In '000	\$ in '000
A. Cash flow from operating activities :			
Profit before tax		19,820	11,413
Adjustments for :			
Dividend Income		(20,000)	(12,341)
Operating (loss) before working capital changes		(180)	(928)
Adjustments for :			
Other financial assets		250	446
Other financial liabilities		(101)	124
Net cash generated from / (used in) operating activities		(31)	(358)
B. Cash flow from investing activities :			
Dividend received		20,000	12,341
Net Cash generated from investing activities		20,000	12,341
C. Cash flow from financing activities :			
Dividend paid and tax thereon		(19,851)	(16,105)
Net cash (used) in financing activities		(19,851)	(16,105)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		118	(4,122)
Cash and cash equivalents as at 1 April		126	4,248
Cash and cash equivalents as at 31 March	5	244	126
Components of cash and cash equivalents			
Bank balances	5	244	126
		244	126
Notes forming part of the financial statements	1 to 13		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Vijay Mathur
Partner

Membership No. 046476

Place : Mumbai, India

Date : 3 May 2019

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


Director


Director

Place: United States of America

Date : 23 April, 2019

Valley Holdings Inc.
Statement of Changes in Equity for the year ended 31 March, 2019

a. Equity share capital (Note 7)

\$ in '000

Balance as at 31 March, 2018
 Balance as at 31 March, 2019

* indicates amount less than \$ one thousand

b. Other equity (Note 8)

\$ in '000


Particulars	Retained Earnings	Securities premium	Items of other comprehensive income	Total
Balance as at 31 March, 2017	299,545	720,642	-	1,020,187
Profit for the year	11,807	-	-	11,807
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the year	11,807	-	-	11,807
Dividend including tax on dividend	(16,105)	-	-	(16,105)
Balance as at 31 March, 2018	295,247	720,642	-	1,015,889
Profit for the year	19,822	-	-	19,822
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the year	19,822	-	-	19,822
Dividend including tax on dividend	(19,851)	-	-	(19,851)
Balance as at 31 March, 2019	295,218	720,642	-	1,015,860

Notes forming part of the financial statements


1 to 13


As per our report of even date attached

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


 Vijay Mathur
 Partner
 Membership No. 046476
 Place : Mumbai, India
 Date : 3 May 2019

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


 Director


 Director

Place: United States of America
 Date : 23 April, 2019

Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2019

1. Corporate Information

Valley Holdings Inc. (the "Company"), a Delaware Corporation incorporated in 2008 to be a holding company for certain investments of Tata Chemicals Limited in the United States of America. The Company is a wholly owned subsidiary of Gusiute Holdings (UK) Ltd. and the ultimate holding company is Tata Chemicals Limited. Tata Chemicals North America Inc. ("TCNA"), a wholly owned subsidiary of the Company is a leading North American manufacturer and supplier of soda ash to a broad range of industrial and municipal customers. The primary end markets for soda ash include glass production, sodium-based chemicals, powdered detergents, water treatment, and other industrial end uses. The registered office of the Company is located at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, in the County of New Castle, United States of America.

2. Significant Accounting Policies

2.1 Basis of compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Indian Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Since the Company's Ultimate holding company prepares consolidated financial statements, where Company's financial statements are also included, thus no consolidated financial statements have been prepared by the Company.

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

2.2 Basis of preparation and presentation

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the 2013 Act.

These financial statements were approved for issue by the board of directors on 23 April, 2019.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the financial statements requires management to make estimates, assumptions and judgements that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

2.3.1 Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

2.4 Significant accounting policies

2.4.1 Investment in subsidiary

Investment in subsidiary are carried at cost and classified as "Non Current Assets" as these are intended to be held for a period over twelve months.

On disposal of such investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.4.2 Impairment of investment in subsidiary

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



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Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2019

2.4.2 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits i.e. balances with banks which are unrestricted for withdrawal and usage. The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Other financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Financial Liabilities and Equity

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest method.

Equity instruments

Equity instruments recognised by the Company are measured at the proceeds received net of direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts and the Company intends either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4.3 Revenue Recognition

Dividend Income

Dividend income is accounted for when Company's right to receive income is established.

2.4.4. Income Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the local tax laws. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when it relates to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities simultaneously.



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Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2019

2.4.6 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of shares outstanding during the year. The Company has not issued any financial instruments that are potential shares which have a diluted effect on earnings per share.

2.4.7 Statement of cash flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

2.4.7 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

3 Recent accounting pronouncements

Standards issued but not yet effective

Ind AS 116 – Leases:

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. Since the Company does not have any such type of leasing contracts, hence this standard is not applicable.

Amendments to Ind AS 12 – Income Taxes (Appendix C – Uncertainty over Income Tax Treatments):

This interpretation, which will be effective from April 1, 2019, clarifies how entities should evaluate and reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.

Since the Company does not have any such situations, hence this amendments is not applicable.



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Valley Holdings Inc.
Notes to financial statements for the year ended 31 March, 2019

4. Non-current investments

	As at 31 March, 2019 \$ in '000	As at 31 March, 2018 \$ in '000
Investments (At cost):		
Investment in equity instruments in subsidiary		
Investment in Tata Chemicals North America Inc. (Common stock 100 of \$ 0.01 fully paid up)	1,012,964	1,012,964
	<u>1,012,964</u>	<u>1,012,964</u>
Aggregate amount of unquoted investments	<u>1,012,964</u>	<u>1,012,964</u>

5. Cash and cash equivalents

	As at 31 March, 2019 \$ in '000	As at 31 March, 2018 \$ in '000
Cash and cash equivalents		
<i>Balances with banks:</i>		
- Bank balances	244	126
	<u>244</u>	<u>126</u>

6. Other financial assets

	As at 31 March, 2019 \$ in '000	As at 31 March, 2018 \$ in '000
Receivable from related parties (unsecured, considered good) (Refer note 13 (ii))	3,605	3,853
	<u>3,605</u>	<u>3,853</u>



Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2019

7. Equity share capital

	As at 31 March, 2019 \$ in '000	As at 31 March, 2018 \$ in '000
Authorised		
1000 (2018 : 1000) shares with \$ 0.01 each	*	*
Issued, subscribed and fully paid-up		
100 (2018 : 100) shares with \$ 0.01 each	*	*
Total issued, subscribed and fully paid-up share	*	*

* indicates amounts less than \$ one thousand
The total number of shares are in absolute numbers

Footnotes:

(a) The movement in number of shares and amount outstanding at the beginning and at the year end

Issued, subscribed and fully paid-up shares

	As at 31 March, 2019		As at 31 March, 2018	
	No.	\$ in '000	No.	\$ in '000
At the beginning of the year	100	*	100	*
Issued during the year	-	-	-	-
Outstanding at the end of the year	100	*	100	*

* indicates amounts less than \$ one thousand
The total number of shares are in absolute numbers

(b) Terms/ rights attached to shares

The Company has issued one class of ordinary shares having a par value of \$ 0.01 per share. Each shareholder is eligible for one vote per share held. The Board of directors are authorised and declare dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

(c) Shares held by holding Company

Out of shares issued by the Company, shares held by its holding company are as below:

Equity Stocks	As at 31 March, 2019	As at 31 March, 2018
	\$ in '000	\$ in '000
Gusiute Holdings (UK) Limited, Holding Company	*	*

* indicates amounts less than \$ one thousand



Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2019

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

Name of the shareholder	As at 31 March, 2019		As at 31 March, 2018	
	No.	% holding in the class	No.	% holding in the class
Gusiute Holdings (UK) Limited, Holding Company	100	100%	100	100%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(e) There are no shares reserved for issue under any employee stock option schemes or under agreements or contracts.

8. Other equity

	As at 31 March, 2019	As at 31 March, 2018
	\$ in '000	\$ in '000
Other equity		
(i) Securities premium	720,642	720,642
(ii) Retained earnings	295,218	295,247
Total other equity	1,015,860	1,015,889
The movement in other equity	Year ended 31 March, 2019	Year ended 31 March, 2018
	\$ in '000	\$ in '000
(i) Securities premium		
Balance at the beginning of the year	720,642	720,642
Balance at the end of the year	720,642	720,642
(ii) Retained earnings		
Balance at the beginning of the year	295,247	299,545
Profit for the year	19,822	11,807
Dividend including tax on dividend	(19,851)	(16,105)
Balance at the end of the year	295,218	295,247



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Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2019

9. Other financial liabilities

	As at 31 March, 2019 \$ in '000	As at 31 March, 2018 \$ in '000
Other liabilities		
Accrued expense	47	148
Other liabilities*	906	906
	<u>953</u>	<u>1,054</u>

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

10. Other income

	For the year ended 31 March, 2019 \$ in '000	For the year ended 31 March, 2018 \$ in '000
Dividend income from non-current investment	20,000	12,341
	<u>20,000</u>	<u>12,341</u>

11. Other Expenses

	For the year ended 31 March, 2019 \$ in '000	For the year ended 31 March, 2018 \$ in '000
Donation	-	750
Legal and professional fees	180	178
	<u>180</u>	<u>928</u>

12. Tax expenses

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

	For the year ended 31 March, 2019 \$ in '000	For the year ended 31 March, 2018 \$ in '000
Profit before tax	19,820	11,413
Income tax expenses calculated at 21% / 30.79 %	4,162	3,514
Effect of income that is exempt from taxation	(4,200)	(3,800)
Impact due to Alternative Minimum Tax	-	(110)
Others	36	2
Tax Recoverable (See Note 13 (iii))	<u>(2)</u>	<u>(394)</u>
Earlier year tax reversal	-	-
Income tax recognised in statement of profit and loss	<u>(2)</u>	<u>(394)</u>



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Valley Holdings Inc.
Notes to financial statements for the year ended 31 March, 2019

13. Other Notes

(i) Earnings per Share

		For the year ended 31 March, 2019	For the year ended 31 March, 2018
Basic and Diluted			
(a) Profit after tax	\$ '000	19,822	11,807
(b) The weighted average number of equity shares of \$0.01 each	Nos.	100	100
(c) Earnings Per Share (face value per share \$0.01)	\$	198,220	118,070

(ii) Related Party Disclosure

(a) Related Parties and their relationship (As Identified by the Management)	
Ultimate Holding Company	Tata Chemicals Limited, India
Holding Company	Gusiute Holdings (UK) Limited, United Kingdom
Direct Subsidiaries	Tata Chemicals North America Inc., United States of America

(b) Transactions with related parties during the year ended 31st March, 2019 and balances outstanding as at 31st March, 2019.

		USD '000	
		Gusiute Holdings (UK) Limited, United Kingdom	Tata Chemicals North America Inc., United States of America
<u>Transactions with related parties</u>			
Reimbursement of expenses and tax benefit transfer	2019	-	2
	2018	-	394
Received from related parties	2019	-	250
	2018	-	446
Dividend income	2019	-	20,000
	2018	-	12,341
Dividend paid (net of withholding taxes)	2019	18,859	-
	2018	15,300	-
<u>Balances due from/to related parties</u>			
Receivable from related parties	2019	-	3,605
	2018	-	3,853



2

Valley Holdings Inc.

Notes to financial statements for the year ended 31 March, 2019

(iii) The Company recognises tax benefits in respect of the tax losses incurred by the Company which are utilised by its subsidiary as a deduction from its taxable profit.

(iv) Segment disclosure

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

(v) Disclosures on financial instruments

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

	As at 31 March, 2019 \$ In '000	As at 31 March, 2018 \$ In '000
Financial assets		
(i) Cash and cash equivalents	244	126
(ii) Other financial assets	3,605	3,853
	<u>3,849</u>	<u>3,979</u>
Financial liabilities		
(i) Other financial liabilities	953	1,054
	<u>953</u>	<u>1,054</u>

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

Credit risk

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

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

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


Notes forming part of the financial statements (Note 1 to 13)

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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


Vijay Mathur
Partner
Membership No. 046476

Place : Mumbai, India

Date : 3 May 2019

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


Director

Place: United States of America

Date : 23 April, 2019