

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Valley Holdings Inc.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Valley Holdings Inc. (“the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements 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 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (‘SAs’) specified under section 143 (10) of the Companies Act, 2013 (“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 Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements, 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 on the standalone financial statements.

Other Matter-Restriction on Use

As stated in note 2.1, these standalone financial statements are prepared for the use of the Company and the ultimate holding Company, Tata Chemicals Limited, to comply with the requirements of the Act. These standalone financial statements are not the statutory financial statements of the Company. As a result, these standalone financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

Registered Office:

B S R & Co. LLP

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and 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) specified under Section 133 of the Act. 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, the 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 the Board of Directors 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 standalone 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 Company's Internal Control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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

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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 standalone 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.

- 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.

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

Place: Mumbai
Date: 27 April 2022

Vijay Mathur
Partner
Membership No. 046476
ICAI UDIN: 22046476AHWYSZ5184

Valley Holdings Inc.
Standalone Balance Sheet as at 31 March, 2022

Particulars	Notes	As at 31 March, 2022 \$ in '000	As at 31 March, 2021 \$ in '000
I. Assets			
1. Non current assets			
(a) Investment in subsidiary	4	1,207,964	1,207,964
		<u>1,207,964</u>	<u>1,207,964</u>
2. Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	5	2,180	1,776
(ii) Other financial assets (amortised cost)	6	799	2,032
(b) Current tax assets (net)		34	30
		<u>3,013</u>	<u>3,838</u>
TOTAL		<u>1,210,977</u>	<u>1,211,802</u>
II. Equity and liabilities			
1. Equity			
(a) Equity share capital	7	*	*
(b) Other equity	8	1,011,835	1,011,897
		<u>1,011,835</u>	<u>1,011,897</u>
2. Non Current liabilities			
(a) Financial liabilities (amortised cost)			
(i) Borrowings	9	99,138	-
3. Current liabilities			
(a) Financial liabilities (amortised cost)			
(i) Borrowings	9	100,000	198,993
(ii) Other financial liabilities	10	4	912
		<u>100,004</u>	<u>199,905</u>
TOTAL		<u>1,210,977</u>	<u>1,211,802</u>

* indicates amount less than \$ one thousand

Notes forming part of the standalone financial statements **1 to 15**

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 : 27 April, 2022

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


Director

Place: Mumbai, India

Date : 26 April, 2022


Director

Place: Sandy, USA

Date : 26 April, 2022

Valley Holdings Inc.
Statement of standalone profit and loss for the year ended 31 March, 2022

Particulars	Notes	For the year ended 31 March, 2022 \$ in '000	For the year ended 31 March, 2021 \$ in '000
I. Revenue from operations		-	-
II. Other income	11	24,203	23,000
III. Total income (I+II)		<u>24,203</u>	<u>23,000</u>
IV. Expenses:			
Finance costs	12	3,972	8,526
Other expenses	13	61	40
Total expenses		<u>4,033</u>	<u>8,566</u>
V. Profit before tax (III - IV)		<u>20,170</u>	<u>14,434</u>
VI. Tax expenses:			
(a) Current tax		-	-
(b) Tax recoverable (See Note 15 (iii))		(821)	(1,400)
Total (benefit) / charge (net)	14	<u>(821)</u>	<u>(1,400)</u>
VII. Profit for the year (V-VI)		<u>20,991</u>	<u>15,834</u>
VIII. Other comprehensive income		-	-
IX. Total comprehensive income		<u>20,991</u>	<u>15,834</u>
EARNINGS PER SHARE	15 (i)		
(Face value per share - \$ 0.01)			
Basic and diluted (\$)		209,910	158,340
Notes forming part of the standalone financial statements	1 to 15		

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 : 27 April, 2022

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


Director


Director

Place: Mumbai, India
Date : 26 April, 2022

Place: Sandy, USA
Date : 26 April, 2022

Valley Holdings Inc.
Statement of standalone cash flow for the year ended 31 March, 2022

Particulars	Notes	For the year ended 31	For the year ended 31
		March, 2022	March, 2021
		\$ in '000	\$ in '000
A. Cash flow from operating activities :			
Profit before tax		20,170	14,434
<i>Adjustments for :</i>			
Finance costs		3,972	8,526
Dividend income		(24,203)	(23,000)
Operating (loss) before working capital changes		(61)	(40)
<i>Adjustments for :</i>			
Other financial assets		2,049	895
Other financial liabilities		-	(16)
Cash generated from operations		1,988	839
Taxes (paid) / Credit		-	-
Net cash generated from operating activities		1,988	839
B. Cash flow from investing activities :			
Dividend received		24,203	23,000
Net Cash generated from investing activities		24,203	23,000
C. Cash flow from financing activities :			
Dividend paid and tax thereon		(21,053)	(20,881)
Repayment of borrowing		(100,000)	(175,000)
Proceeds from borrowings		100,000	180,000
Finance costs paid		(4,735)	(8,625)
Net cash used in financing activities		(25,788)	(24,506)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		403	(667)
Cash and cash equivalents as at 1 April		1,776	2,443
Cash and cash equivalents as at 31 March	5	2,179	1,776
Components of cash and cash equivalents			
Bank balances	5	2,180	1,776
		2,180	1,776
Footnote:			
Reconciliation of borrowings:			
Non-Current Borrowings		99,138	-
Current Borrowings		100,000	198,993
		199,138	198,993
		-	-
Proceeds from borrowings		100,000	180,000
Repayment of borrowings		(100,000)	(175,000)
Unamortised finance cost		145	(1,007)
		145	3,993

Notes forming part of the standalone financial statements

1 to 15

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

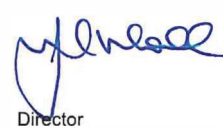
Membership No. 046476

Place : Mumbai, India

Date : 27 April, 2022

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


Director


Director

Place: Mumbai, India

Date : 26 April, 2022

Place: Sandy, USA

Date : 26 April, 2022

Valley Holdings Inc.
Statement of Standalone Changes in Equity for the year ended 31 March, 2022

a. Equity share capital (Note 7)

\$ in '000

Balance as at 31 March, 2021 *
 Balance as at 31 March, 2022 *

* 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, 2020	296,302	720,642	-	1,016,944
Profit for the year	15,834	-	-	15,834
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the year	15,834	-	-	15,834
Dividend including tax on dividend	(20,881)	-	-	(20,881)
Balance as at 31 March, 2021	291,255	720,642	-	1,011,897
Profit for the year	20,991	-	-	20,991
Other comprehensive income (net of tax)	-	-	-	-
Total comprehensive income for the year	20,991	-	-	20,991
Dividend including tax on dividend	(21,053)	-	-	(21,053)
Balance as at 31 March, 2022	291,193	720,642	-	1,011,835

Notes forming part of the standalone financial statements **1 to 15**

As per our report of even date attached

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

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

Vijay Mathur
 Partner
 Membership No. 046476
 Place : Mumbai, India
 Date : 27 April, 2022


 Director

Place: Mumbai, India
 Date : 26 April, 2022


 Director

Place: Sandy, USA
 Date : 26 April, 2022

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

1. Corporate Information

Valley Holdings Inc. (the "Company"), a Delaware Corporation was 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. The Company has also invested for 25% stake in Tata Chemicals (Soda Ash) Partners Holdings, Indirect Subsidiary.

2. Significant Accounting Policies

2.1 Basis of compliance

The standalone 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.

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 standalone financial statements have been prepared by the Company solely for the purpose of placing the audited standalone 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

2.2 Basis of preparation and presentation

The standalone financial statements have been prepared under the historical cost convention using the accrual method of accounting (Refer note 3 on Going Concern).

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 Standalone Financial Statement are prepared in USD (\$) thousands.

These standalone financial statements were approved for issue by the board of directors on 26 April, 2022.

2.3 Critical accounting estimates, assumptions and judgements

The preparation of the standalone 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 standalone 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 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 standalone 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 standalone 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 standalone profit and loss.

Valley Holdings Inc.

Notes to standalone financial statements for the year ended 31 March, 2022

2.4.3 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

The Company's financial liabilities comprise borrowings and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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.

2.4.4 Revenue Recognition

Dividend Income

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

2.4.5 Borrowing costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings and these are recognised in the Statement of Standalone Profit and Loss in the period in which they are incurred.

2.4.6 Income Tax

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

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

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

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

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

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

Valley Holdings Inc.

Notes to standalone financial statements for the year ended 31 March, 2022

2.4.7 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.

2.4.8 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.

2.4.9 Foreign currency translation

Functional and presentation currency

Items included in the standalone 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 and unrealised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of standalone profit and loss.

2.4.10 Provisions and contingencies

From time to time, the Company is subject to legal and other proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation and other provisions are made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgment is required when evaluating the provision including, the probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent assets are not disclosed in the standalone financial statements unless an inflow of economic benefits is probable.

3. Going Concern

The Company is an intermediate holding company and is financed by USD 100,000 ('000) inter-company loan from Tata Chemicals North America Inc. (TCNA) used to acquire a 25% interest in the US operation, Tata Chemicals Soda Ash Partners Holdings (TCSAPH).

As at 31 March 2022, current liabilities exceed current assets by USD 96,992 ('000). TCNA has confirmed that they will not demand the inter-company loan within the next 12 months.

After reviewing the forecasts, considering reasonably possible uncertainties and making such other inquiries as were necessary, the directors have formed a judgment, at the time of approving the standalone financial statements, that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing these standalone financial statements.

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

4. Investment in subsidiary

	As at 31 March, 2022 \$ in '000	As at 31 March, 2021 \$ in '000
Non current investments (At cost):		
Investment in equity instruments in subsidiary		
Direct Subsidiary		
Investment in Tata Chemicals North America Inc. (Common stock 100 of \$ 0.01 fully paid up)	1,012,964	1,012,964
Indirect Subsidiary		
Investment in Tata Chemicals (Soda Ash) Partners Holdings (25% stake in a general partnership formed under the laws of the State of Delaware (USA).)	195,000	195,000
	<u>1,207,964</u>	<u>1,207,964</u>
Aggregate amount of unquoted investments	<u>1,207,964</u>	<u>1,207,964</u>

5. Cash and cash equivalents

	As at 31 March, 2022 \$ in '000	As at 31 March, 2021 \$ in '000
Cash and cash equivalents		
<i>Balances with banks:</i>		
- Bank balances	2,180	1,776
	<u>2,180</u>	<u>1,776</u>

6. Other financial assets

	As at 31 March, 2022	As at 31 March, 2021 \$ in '000
Receivable from related parties (unsecured, considered good) (Refer note 15 (ii))	799	2,032
	<u>799</u>	<u>2,032</u>

Valley Holdings Inc.

Notes to standalone financial statements for the year ended 31 March, 2022

7. Equity share capital

	As at 31 March, 2022	As at 31 March, 2021
Authorised		
1000 (2021 : 1000) shares with \$ 0.01 each	*	*
Issued, subscribed and fully paid-up		
100 (2021 : 100) shares with \$ 0.01 each	*	*
Total issued, subscribed and fully paid-up share capital	*	*

* 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, 2022		As at 31 March, 2021	
	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 to 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, 2022	As at 31 March, 2021
	\$ in '000	\$ in '000
Gusiute Holdings (UK) Limited, Holding Company	*	*

* indicates amounts less than \$ one thousand

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

Name of the shareholder	As at 31 March, 2022		As at 31 March, 2021	
	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.

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

8. Other equity

	As at 31 March, 2022	As at 31 March, 2021
	\$ in '000	\$ in '000
Other equity		
(i) Securities premium	720,642	720,642
(ii) Retained earnings	291,193	291,255
Total other equity	1,011,835	1,011,897

The movement in other equity

	Year ended 31 March, 2022	Year ended 31 March, 2021
	\$ 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

footnote:

a) Securities premium represent additional capital invested by shareholder's of the Company.

(ii) Retained earnings

Balance at the beginning of the year	291,255	296,302
Profit for the year	20,991	15,834
Dividend including tax on dividend	(21,053)	(20,881)
Balance at the end of the year	291,193	291,255

footnotes:

a) Retained earnings represents net profits after distributions and transfers to other reserves.

b) During the Year, the Company has paid dividend of USD 21,053 thousands (previous year USD 20,881 thousands) (inclusive of dividend distribution tax) which has been approved by the Board of Directors.

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

9. Borrowings

	As at 31 March, 2022 \$ in '000	As at 31 March, 2021 \$ in '000
Non-Current borrowings		
Loan from Bank - Secured (footnote 'i')	100,000	-
Less: Unamortised finance cost	(862)	-
	<u>99,138</u>	<u>-</u>
Current borrowings		
Loan from Bank - Unsecured (footnote 'i')	-	100,000
Less: Unamortised finance cost	-	(1,007)
	<u>-</u>	<u>98,993</u>
Loan from related party - Unsecured (footnote 'iii') (Refer note 3, 15 (ii))	100,000	100,000
	<u>100,000</u>	<u>198,993</u>

Footnote

(i) Loan from Bank - Secured -

The Term Loan is secured by a security interest in VHI's interest in TCNA, TCSAPH, the TCNA's assets, and equity interest in foreign subsidiaries and also backed by a letter of comfort that was provided by Tata Chemicals Limited. As at 31 March, 2022, the debt outstanding is USD 100.00 million (2021: Nil). The Term Loan is due in full on December 17, 2026. The borrowing under this facility bears interest at LIBOR plus an applicable margin. The applicable margin on the Term Loan is 1.4% per annum on LIBOR borrowings

(ii) Loan from Bank - Unsecured -

USD Nil (2021: USD 100 million) the Bridge loan is unsecured, backed by a letter of comfort that was provided by Tata Chemicals Limited. The applicable margin on the Bridge loan is 3.35% per annum on LIBOR borrowings).

(iii) Unsecured and interest free loan from related party, repayable on demand.

10 Other financial liabilities

	As at 31 March, 2022 \$ in '000	As at 31 March, 2021 \$ in '000
Other liabilities		
Accrued expense	4	4
Accrued Interest	-	908
	<u>4</u>	<u>912</u>

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

11. Other income

	For the year ended 31 March, 2022 \$ in '000	For the year ended 31 March, 2021 \$ in '000
Dividend income from non-current investment	24,203	23,000
	24,203	23,000

12. Finance Cost

	For the year ended 31 March, 2022 \$ in '000	For the year ended 31 March, 2021 \$ in '000
Interest costs (Interest on loans at amortised cost)	2,908	7,483
Other charges	1,064	1,043
	3,972	8,526

13. Other Expenses

	For the year ended 31 March, 2022 \$ in '000	For the year ended 31 March, 2021 \$ in '000
Audit fees	38	40
Professional Fees	23	-
	61	40

14. Tax expenses

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

	For the year ended 31 March, 2022 \$ in '000	For the year ended 31 March, 2021 \$ in '000
Profit before tax	20,170	14,434
Income tax expenses calculated at 21%	4,236	3,031
Effect of income that is exempt from taxation	(5,083)	(4,830)
Partnership basis and cancelation of debt loss	834	214
Others	(808)	185
Income tax recognised in statement of standalone profit and loss (Tax Recoverable (See Note 15 (iii)))	(821)	(1,400)

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

15. Other Notes

(i) Earnings per Share

		For the year ended 31 March, 2022	For the year ended 31 March, 2021	
Basic and Diluted				
(a)	Profit after tax	\$ in '000	20,991	15,834
(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)	\$	209,910	158,340

(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 ("Gusiute")
Direct Subsidiary	Tata Chemicals North America Inc., United States of America ("TCNA")
Indirect Subsidiary	Tata Chemicals (Soda Ash) Partners Holdings ("TCSAPH")

(b) Transactions with related parties during the year ended 31st March, 2022 and balances outstanding as at 31st March, 2022.

		Gusiute	TCNA	USD '000 TCSAPH
<u>Transactions with related parties</u>				
Tax benefit transfer	2022	-	821	-
	2021	-	1,400	-
Proceeds from Borrowing	2022	-	-	-
	2021	-	80,000	-
Dividend income	2022	-	18,553	5,650
	2021	-	13,000	10,000
Dividend paid (net of withholding taxes)	2022	20,000	-	-
	2021	19,837	-	-
<u>Balances due from/(payable to) related parties</u>				
Receivable from related parties	2022	-	799	-
	2021	-	2,032	-
Borrowings	2022	-	100,000	-
	2021	-	100,000	-

The Ultimate Holding Company has given letter of comfort for a borrowing obtained by the Company (refer note 9).

(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.

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

(v) Disclosures on financial instruments

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

	As at 31 March, 2022	As at 31 March, 2021
	\$ in '000	\$ in '000
Financial assets (Current)		
(i) Cash and cash equivalents	2,180	1,776
(ii) Other financial assets (amortised cost)	799	2,032
	<u>2,979</u>	<u>3,808</u>
Financial liabilities		
(i) Borrowings (Non-Current)	99,138	-
(ii) Borrowings (Current)	100,000	198,993
(iii) Other financial liabilities (Current)	4	912
	<u>199,142</u>	<u>199,905</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 (with in one year) 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.

Interest rate Risk and sensitivity

The Company's exposure to the risk of changes in market rates relates primarily to the Current debt obligations with floating interest rates.

The following table demonstrates the impact to the Company's profit before tax and other comprehensive income to a reasonably possible change in interest rates on long term floating rate borrowings, with all other variables held constant:

	Increase/decrease in basis points	Effect on profit before tax (\$ in '000)
31 March, 2022	+50/-50	500/(500)
31 March, 2021	+50/-50	500/(500)

Liquidity Risk

The below table analyses the Company's financial liabilities as at the reporting date, into relevant maturity groupings based on the remaining period (as at that date) to the contractual maturity date. The amounts disclosed in the below table are the contractual undiscounted cash flows.

	Carrying amount	Up-to 1 year	1-5 years	Above 5 years	\$ in '000 Total
As at 31 March, 2022					
Borrowings and future interest thereon	100,000	1,616	106,059		107,674
Total	<u>100,000</u>	<u>1,616</u>	<u>106,059</u>	-	<u>107,674</u>
As at 31 March, 2021					
Borrowings and future interest thereon	100,000	100,000			100,000
Other financial liabilities	4	4			4
Total	<u>100,004</u>	<u>100,004</u>	-	-	<u>100,004</u>

Currency Risk

The Company does not have any currency exposure as at 31 March, 2022 and 31 March, 2021.

Valley Holdings Inc.
Notes to standalone financial statements for the year ended 31 March, 2022

(vi) There are No Contingent liabilities and assets as at 31 March, 2022 and 31 March, 2021.

Notes forming part of the standalone financial statements (Note 1 to 15)

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

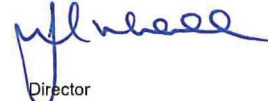
Firm's Registration No: 101248W/W - 100022

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

Vijay Mathur
Partner
Membership No. 046476



Director



Director

Place : Mumbai, India
Date : 27 April, 2022

Place: Mumbai, India
Date : 26 April, 2022

Place: Sandy, USA
Date : 26 April, 2022