

Valley Holdings Inc.
Balance Sheet as at March 31, 2015

Particulars	Notes	As At	As At
		31-Mar-2015	31-Mar-2014
		Audited	Unaudited
		\$ in '000	\$ in '000
I. Equity and Liabilities			
1. Shareholder's Fund			
(a) Share Capital	3	*	*
(b) Reserves & Surplus	4	1,022,012	1,020,953
		<u>1,022,012</u>	<u>1,020,953</u>
Current Liabilities			
(a) Other Current Liabilities	5	984	986
(b) Short Term Provisions	6	531	531
		<u>1,515</u>	<u>1,517</u>
TOTAL		<u>1,023,527</u>	<u>1,022,470</u>
II. Assets			
1. Non Current Assets			
(a) Non Current Investments	7	1,012,964	1,012,964
		<u>1,012,964</u>	<u>1,012,964</u>
2. Current Assets			
(a) Cash & Bank Balances	8	584	74
(b) Short Term Loans & Advances	9	-	4,900
(c) Other Current Assets	10	9,979	4,532
		<u>10,563</u>	<u>9,506</u>
TOTAL		<u>1,023,527</u>	<u>1,022,470</u>

* indicates amount less than USD thousands

Notes Forming an Integral Part of the Financial Statements **1 to 13**

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

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

Sd/-
Sanjiv V. Pilgaonkar
Partner

Sd/-
Director

Sd/-
Director

Place : Mumbai, India
Date :

Place:
Date :

Valley Holdings Inc.
Statement of Profit & Loss for the year ended March 31, 2015

Particulars	Notes	For the year ended	For the year ended
		31-Mar-2015	31-Mar-2014
		Audited	Unaudited
		\$ in '000	\$ in '000
I. Revenue from Operation (Gross)		-	-
II. Other Income	11	20,000	-
III. Total Revenue (I+II)		20,000	-
IV. Expenses:			
Other Expenses	12	809	1,112
Total Expenses		809	1,112
V. Profit / (Loss) Before Tax (III - IV)		19,191	(1,112)
VI. Tax Expenses:			
(a) Current tax		-	-
(b) Tax Recoverable (See Note 13 (iii))		(160)	(220)
Net tax / (benefit)		(160)	(220)
Profit / (Loss) for the year (V-VI)		19,351	(892)
EARNINGS PER SHARE			
(Face value per share - \$ 0.01)			
(a) Basic		193.51	(8.92)
(b) Diluted		193.51	(8.92)

Notes Forming an Integral Part of the Financial Statements **1 to 13**

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

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

Sd/-
Sanjiv V. Pilgaonkar
Partner

Sd/-
Director

Sd/-
Director

Place : Mumbai, India
Date :

Place:
Date :

Valley Holdings Inc.
Cash Flow Statement For The Year Ended March 31, 2015

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
	Audited \$ in '000	Unaudited \$ in '000
A. Cash Flow generated from Operating Activities :		
Profit/(loss) before tax	19,191	(1,112)
Adjustments for :		
Dividend Income	(20,000)	-
Operating profit / (loss) before working capital changes	(809)	(1,112)
Adjustments for :		
Other Current Assets	(387)	14
Short term Loans and advances	-	300
Other Current Liabilities	(2)	(248)
	(389)	66
Cash used in operations	(1,198)	(1,046)
Taxes paid	-	-
Net cash used in Operating Activities	(1,198)	(1,046)
B. Cash Flow generated from Investing Activities :		
Dividend Received	20,000	-
Net Cash generated from Investing Activities	20,000	-
C. Cash Flow used from Financing Activities :		
Dividend paid	(18,292)	-
Net Cash used in Financing Activities	(18,292)	-
Net Increase in Cash and Cash Equivalents (A+B+C)	510	(1,046)
Cash and Cash equivalents as at 1-April-2014	74	1,121
Cash and Cash equivalents as at 31-Mar-2015 (as per note 8)	584	74
Components of cash and cash equivalents		
Bank Balances	584	74
	584	74

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

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

Sd/-
Sanjiv V. Pilgaonkar
Partner

Sd/- Sd/-
Director Director

Place : Mumbai, India
Date :

Place:
Date :

Note 1: Corporate Information

Valley Holding Inc. (the "Company"), a Delaware Corporation incorporated in 2008 to be a holding company for certain investments 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.

Note 2: Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the 2013 Act") for inclusion in the consolidated financial statements of the ultimate holding company viz. Tata Chemicals Limited. The financial statements of the Company are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (considered to be 12 months) and other criteria set out in Schedule III to the 2013 Act.

(b) Use of Estimates

The presentation of the financial statements, in conformity with Indian GAAP, requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable, future results could differ, the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

(c) Investments

Long term investments are carried individually at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. Current investments are carried individually, at lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(d) Revenue Recognition

Sales of Goods:

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Income from Services:

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognised when probable.

(e) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is accounted for when the right to receive income is established.

(f) Segment Reporting

The Company is Investment holding Company and carrying its operation in United State of America (USA), hence does not have any primary and secondary segment.

(g) Taxes on Income

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred tax assets recognised are carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(h) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(i) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(j) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Valley Holdings Inc.

Notes to financial statements for the year ended March 31, 2015

3. Share capital

	As At 31-Mar-2015	As At 31-Mar-2014
	Audited \$ in '000	Unaudited \$ in '000
Authorised shares		
1000 (2014: 1000) shares with \$ 0.01 Par value	*	*
Issued, subscribed and fully paid-up shares		
100 (2014: 100) shares	*	*
Total issued, subscribed and fully paid-up share capital	*	*

* indicates amounts less than USD thousands

The total number of shares are in absolute numbers

Footnotes:

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Issued, subscribed and fully paid-up shares

	As At 31-Mar-2015		As At 31-Mar-2014	
	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	*

The total number of shares are in absolute numbers

* indicates amounts less than thousands

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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim 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.

(d) 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-Mar-2015	As At 31-Mar-2014
	Audited \$ in '000	Unaudited \$ in '000
Gusiute Holdings (UK) Limited, Holding Company	*	*

* indicates amounts less than thousands

Valley Holdings Inc.

Notes to financial statements for the year ended March 31, 2015

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

Name of the shareholder	As At		As At	
	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.

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

(g) Information regarding shares in last five years.

(i) The Company has not issued any shares pursuant to contracts without payment being received in cash.

(ii) There has been no issue of bonus shares.

(iii) The Company has not undertaken any buy-back of shares.

(iv) The Company has not issued any shares as fully paid up pursuant to scheme of amalgamation.

4. Reserves and Surplus

	As At 31-Mar-2015 \$ in '000 Audited	As At 31-Mar-2014 \$ in '000 Unaudited
Securities premium account		
At the commencement and at the end of the year	720,642	720,642
	720,642	720,642
Surplus/ (deficit) in the statement of profit and loss		
At the commencement of the year	300,311	301,203
Profit/(loss) for the year	19,351	(892)
Less: Dividend paid	(18,292)	-
Net surplus in the statement of profit and loss	301,370	300,311
Total reserves and surplus	1,022,012	1,020,953

5. Other current liabilities

	As At 31-Mar-2015 \$ in '000 Audited	As At 31-Mar-2014 \$ in '000 Unaudited
Other liabilities		
Accrued Expenses	78	80
Other Liabilities	906	906
	984	986

Valley Holdings Inc.

Notes to financial statements for the year ended March 31, 2015

6. Short Term Provisions

	As At 31-Mar-2015 \$ in '000 Audited	As At 31-Mar-2014 \$ in '000 Unaudited
Provision for tax	531	531
	531	531

7. Non-current investments

	As At 31-Mar-2015 \$ in '000 Audited	As At 31-Mar-2014 \$ in '000 Unaudited
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
	1,012,964	1,012,964
Aggregate amount of unquoted	1,012,964	1,012,964

8. Cash and bank balances

	As At 31-Mar-2015 \$ in '000 Audited	As At 31-Mar-2014 \$ in '000 Unaudited
Cash and cash equivalents		
<i>Balances with banks:</i>		
- Bank Balances	584	74
	584	74

Valley Holdings Inc.

Notes to financial statements for the year ended March 31, 2015

9. Short Term Loans & Advances

	As At 31-Mar-2015 \$ in '000 Audited	As At 31-Mar-2014 \$ in '000 Unaudited
Advance payment of taxes	-	4,900
	<u>-</u>	<u>4,900</u>

10. Other Current Assets

	As At 31-Mar-2015 \$ in '000 Audited	As At 31-Mar-2014 \$ in '000 Unaudited
Claim Receivable from related parties Unsecured, considered good	9,979	4,532
	<u>9,979</u>	<u>4,532</u>

11. Other Income

	For the year ended 31- Mar-2015 \$ in '000 Audited	For the year ended 31-Mar-2014 \$ in '000 Unaudited
Dividend Income from long term investment	20,000	-
	<u>20,000</u>	<u>-</u>

12. Other Expenses

	For the year ended 31- Mar-2015 \$ in '000 Audited	For the year ended 31-Mar-2014 \$ in '000 Unaudited
Donation	750	750
Legal & Professional Fees	59	362
	<u>809</u>	<u>1,112</u>

Valley Holdings Inc.
Notes to financial statements for the year ended March 31, 2015

Note 13 : Other Notes

(i) Earnings per Share

		For the year	For the year
		ended 31- Mar-2015	ended 31-Mar- 2014
		Audited	Unaudited
Basic and Diluted			
(a) (Loss) / Profit after tax	'000	19,351	(892)
(b) The weighted average number of equity shares of 0.01 each			
Total number of shares	Nos.	100	100
(c) Earning Per Share (face value per share 0.01)	'000	193.51	(8.92)

(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 State of America
Fellow Subsidiaries	Tata Chemicals Magadi Limited., United Kingdom

(b) Transactions with related parties during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015

		USD '000		
		Gusiute Holdings (UK) Limited, United Kingdom	Tata Chemicals North America Inc., United State of America	Tata Chemicals Magadi Limited., United Kingdom
Reimbursement of expenses and tax benefit transfer	2015		5,660	-
	2014		3,158	587
Dividend Income	2015		20,000	-
	2014		-	-
Dividend Paid (Net of Withholding taxes)	2015	17,376	-	-
	2014	-	-	-
Claim receivable	2015		8,519	1,460
	2014		2,858	1,674

(iii) The Company recognises tax benefits in respect of the tax losses incurred by the Company consequent to transfer of tax losses to its subsidiary who claims a set off against its tax profit at the time of filing consolidated tax returns.

(vi) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

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

Sd/- Sd/-
Director Director

Place:
Date :