

GUSIUTE HOLDINGS (UK) LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2013



GUSIUTE HOLDINGS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 March 2013

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company continues to act as an intermediate holding company. The company does not trade.

The profit on ordinary activities before taxation for the year was \$24,256,000 (2012: profit of \$97,539,000).

A dividend of \$9,500,000 was paid during the year (2012: \$37,108,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The company does not have any borrowings and is not subject to any entity specific commitment or covenants.

The company holds investments in Valley Holdings Inc. (the parent company of Tata Chemicals North America Inc.) and EPM Mining Ventures Inc. Having reviewed the financial projections of those entities and having made such other enquiries as were deemed necessary, the directors of the company have formed a judgment that the carrying value of its investments is fairly stated.

Consequently the financial statements have been prepared on a going concern basis.

DIRECTORS

The directors who served during the year and thereafter were

P K Ghose

M Ramakrishnan

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who are directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and,
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The auditor, Deloitte LLP has indicated its willingness to continue in office. Deloitte LLP has been appointed by the members and as such an annual resolution to reappoint them is not required

Approved by the Board and signed on its behalf by


P K Ghose
Director

7 August 2013

GUSIUTE HOLDINGS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUSIUTE HOLDINGS (UK) LIMITED

We have audited the financial statements of Gusiute Holdings (UK) Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of the company's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

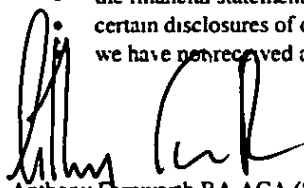
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUSIUTE HOLDINGS (UK)
LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

13/08/2013

GUSIUTE HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2013

	Note	2013 \$'000	2012 \$'000
Other operating expenses	2	(55)	(58)
OPERATING LOSS		(55)	(58)
Dividends received from subsidiary undertakings		24,653	98,708
Income from shares in group undertaking		284	-
Interest payable to group undertakings		(230)	(590)
Bank interest payable		(396)	(521)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		24,256	97,539
Taxation on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR	8,9	24,256	97,539

All results have arisen from continuing activities

The historical cost profit is identical to that disclosed above and accordingly no separate statement of historical cost profits and losses has been presented

The accompanying notes are an integral part of this profit and loss account

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt within the profit and loss account

GUSIUTE HOLDINGS (UK) LIMITED

BALANCE SHEET 31 March 2013

	Note	2013 \$'000	2012 \$'000
FIXED ASSETS			
Investments	4	813,419	795,919
CURRENT ASSETS			
Debtors	5	3,339	-
Cash at bank and in hand		7,070	236
		10,409	236
CREDITORS: Amounts falling due within one year	6a	(520)	(15,093)
NET CURRENT ASSETS/(LIABILITIES)		9,889	(14,857)
TOTAL ASSETS LESS CURRENT LIABILITIES		823,308	781,062
CREDITORS: Amounts falling due after more than one year	6b	(27,500)	(10)
NET ASSETS		795,808	781,052
CAPITAL AND RESERVES			
Called-up share capital	7	683,536	683,536
Profit and loss account	8	112,272	97,516
SHAREHOLDER'S FUNDS	9	795,808	781,052

The financial statements of Gusiute Holdings (UK) Limited, registered number 06445043, were approved by the Board of Directors on 7 August 2013 and signed on its behalf by


P K Ghose

Director

The accompanying notes are an integral part of this balance sheet

CASH FLOW STATEMENT
For the year ended 31 March 2013

	Note	2013 \$'000	2012 \$'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	10	<u>(3,163)</u>	<u>(6)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(446)	(1,111)
Dividends received		<u>24,653</u>	<u>98,708</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>24,207</u>	<u>97,597</u>
FINANCIAL INVESTMENT			
Investment in preference share capital of group undertakings		(17,500)	(32,513)
ACQUISITIONS			
Investment in ordinary share capital of subsidiary company		<u>-</u>	<u>(42,764)</u>
NET CASH OUTFLOW FROM FINANCIAL INVESTMENT AND ACQUISITIONS		<u>(17,500)</u>	<u>(75,277)</u>
NET CASH INFLOW BEFORE FINANCING		3,544	22,314
FINANCING			
Issue of preference share capital		9,500	-
Dividends paid		(9,500)	(37,108)
New bank loans received		-	15,010
New loans received from group undertakings		18,300	-
Bank loan repayments		<u>(15,010)</u>	<u>-</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		<u>3,290</u>	<u>(22,098)</u>
Increase in cash in the year	11	<u>6,834</u>	<u>216</u>

The accompanying notes are an integral part of this cash flow statement

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

Group financial statements have not been prepared as permitted by section 401 of the Companies Act 2006 as the company itself is a wholly owned subsidiary of Tata Chemicals International Pte Ltd, a body incorporated in Singapore which prepares consolidated financial statements.

The directors have prepared forecasts and projections for the company. As a result of the projections prepared, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Functional and reporting currency

All material transactions are conducted in US Dollars and accordingly the directors have selected USD as the company's functional and reporting currency.

Fixed asset investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and law that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those that are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange at that date or, if appropriate, at the forward contract rate.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2013****2. OTHER OPERATING EXPENSES**

There was no directors' remuneration during the year (2012 \$nil). There were no employees other than the directors during the year (2012 nil). Other operating expenses are described below

	2013 \$'000	2012 \$'000
Other expenses	25	34
Auditor's remuneration for the audit of the company's annual financial statements	30	24
Total other operating expenses	55	58

There has been no remuneration paid to the auditor in respect of non audit services during the year (2012 \$nil).

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

There is no charge for taxation in the current or preceding year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows

	2013 \$'000	2012 \$'000
Profit on ordinary activities before taxation	24,256	97,539
Tax on loss on ordinary activities at standard UK corporation tax rate of 24% (2012 26%)	5,821	25,360
Effects of		
Expenses not deductible for tax purposes	-	304
Income not chargeable to tax	(5,821)	(25,664)
Current tax charge for the year	-	-

GUSIUTE HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

4. FIXED ASSET INVESTMENTS

a) The company's investments in subsidiaries at 31 March 2013 were

Subsidiary	Holding	Country of incorporation	Principal activity
Valley Holdings Inc	100% ordinary share capital	USA	Investment company
Tata Chemicals North America Inc	100% ordinary share capital (*)	USA	Manufacture and sale of soda ash products
Tata Chemicals (Soda Ash) Partners Inc	75% ordinary share capital (*)	USA	Manufacture and sale of soda ash products

b) The company's other investments at 31 March 2013 were

Subsidiary	Holding	Country of incorporation	Principal activity
EPM Mining Ventures Inc	30% ordinary share capital	Canada	Manufacture of sulphate of potash
Tata Chemicals Magadi Limited	100% preference share capital	UK	Manufacture and sale of soda ash products
Homefield 2 UK Limited	100% preference share capital	UK	Holding company

(*) held indirectly

c) An analysis of the company's fixed asset investments was as follows

Cost and net book value	\$'000
Investments in subsidiary undertakings	
At 1 April 2012 and 31 March 2013	720,642
Other investments	
At 1 April 2012	75,277
Additions	17,500
At 31 March 2013	92,777
Total fixed asset investments	
At 1 April 2012	795,919
At 31 March 2013	813,419

During the year the company invested preference share capital in Homefield 2 UK Limited totalling \$17,500,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

5. DEBTORS

Amounts falling due within one year

	2013 \$'000	2012 \$'000
Amounts due from group undertakings	284	-
Other debtors	3,055	-
	<u>3,339</u>	<u>-</u>

6. CREDITORS

a) Amounts falling due within one year

	2013 \$'000	2012 \$'000
Senior debt and loan notes	-	15,000
Amounts owed to parent company	180	-
Amounts owed to other group undertakings	300	-
Accruals	40	93
	<u>520</u>	<u>15,093</u>

b) Amounts falling due after more than one year

	2013 \$'000	2012 \$'000
Amounts owed to parent company	8,000	10
Amounts owed to other group undertakings	10,000	-
Non-cumulative redeemable preference shares	9,500	-
	<u>27,500</u>	<u>10</u>

At 31 March 2012, senior debt comprised a promissory note issued by Standard Chartered Bank. This was repaid in the year.

On 17th January 2013 an issue of 9,500,000 non-cumulative redeemable preference shares of \$1 each was made to the parent company. The preference shares hold a fixed non-cumulative preferential dividend at the rate of 8% per annum in respect of the nominal value of the preference shares, which is payable annually in arrears on 30 April. The company shall redeem the preference shares on 30 January 2016 for a sum equal to the nominal amount paid up thereon together with a sum equal to all arrears of the preferential dividend to which the holder is entitled.

The loans owed to parent and other group undertakings of \$8,000,000 and \$10,000,000 were both converted to non-cumulative preference share capital, with similar terms, on 1 April 2013.

7. CALLED-UP SHARE CAPITAL

	2013 \$'000	2012 \$'000
Allotted, called-up and fully paid		
351,835,271 (2012 - 351,835,271) ordinary shares of £1 each	<u>683,536</u>	<u>683,536</u>

GUSIUTE HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2013

8. RESERVES

	Profit and loss account \$'000
At 1 April 2012	97,516
Profit for the financial year	24,256
Equity dividends paid	(9,500)
	<u>112,272</u>
At 31 March 2013	

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013 \$'000	2012 \$'000
Profit for the financial year	24,256	97,539
Equity dividends paid	(9,500)	(37,108)
	<u>14,756</u>	<u>60,431</u>
Net increase in shareholder's funds	14,756	60,431
Opening shareholder's funds	781,052	720,621
	<u>795,808</u>	<u>781,052</u>
Closing shareholder's funds		

10. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	2013 \$'000	2012 \$'000
Operating loss	(55)	(58)
(Increase)/decrease in debtors	(3,055)	-
(Decrease)/increase in creditors	(53)	52
	<u>(3,163)</u>	<u>(6)</u>
Net cash outflow from operating activities		

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2013

11. ANALYSIS AND RECONCILIATION OF NET DEBT

	1 April 2013 \$'000	Cash flow \$'000	31 March 2013 \$'000
Cash at bank and in hand	236	6,834	7,070
Debt due within one year	(15,000)	14,520	(480)
Debt due between two and five years	(10)	(27,490)	(27,500)
	<u>(15,010)</u>	<u>(12,970)</u>	<u>(27,980)</u>
Net debt	<u>(14,774)</u>	<u>(6,136)</u>	<u>(20,910)</u>
		2013 \$'000	2012 \$'000
Increase in cash in the year		6,834	216
Cash inflow from increase in debt and lease financing		<u>(12,970)</u>	<u>(15,010)</u>
Change in net debt resulting from cash flows		(6,136)	(14,794)
Net (debt)/funds at beginning of year		<u>(14,774)</u>	<u>20</u>
Net debt at end of year		<u>(20,910)</u>	<u>(14,774)</u>

12. ULTIMATE CONTROLLING PARTY

The company has taken advantage of the exemption in FRS 8 "Related party disclosures" for wholly owned subsidiaries and has not disclosed transactions with other group undertakings.

The company's immediate parent undertaking changed in the year. The entire share capital of the company was acquired on 26 November 2012 from Bio Energy Venture – 1 (Mauritius) Pvt Ltd by Tata Chemicals International Pte Ltd. Tata Chemicals International Pte Ltd is incorporated in Singapore and the registered office is 143 Cecil Street, #25-01 GB Building, Singapore, 069542, Singapore.

The largest and smallest group in which the results of the company are consolidated is that headed by Tata Chemicals Limited, a company incorporated in India. Copies of the accounts are available from the Company Secretary, Tata Chemicals Limited, Bombay House, Mumbai, India.