Independent Auditor's Report
on the Consolidated Financial Statements

To the Members of Hindalco Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Hindalco Industries Limited (hereinafter referred to as the "Holding Company") which includes the financial statements/financial information in respect of joint operations consolidated on a proportionate basis, trusts and subsidiaries (Holding Company, joint operations, trusts and subsidiaries together referred to as "the Group"), its joint ventures and associate companies (refer Note 48 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements /consolidated audited financial information of the joint operations, subsidiaries, joint venture and associate companies, and based on the consideration of the separate unaudited financial information of the trusts, subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the 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 consolidated state of affairs of the Group, its joint ventures and associate companies as at March 31, 2022, of the consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, its joint ventures, and associate companies in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
A. Measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress consisting of precious metals	
Refer Notes 1D (l) and 11 (d) to the consolidated financial statements. Of the Holding Company's ₹ 20,948 crores of inventory as at March 31, 2022, ₹ 4,302 crores of inventory comprised of coal, bauxite, copper concentrate and work in progress consisting of precious metals. This was determined a key audit matter, as the measurement of these inventory quantities lying at the Holding Company's yards, smelters and refineries is complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos and other parameters. The Holding Company uses internal and external experts, as applicable to perform volumetric surveys and assessments, basis which the quantities of these inventories are estimated.	Our audit procedures relating to the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress of precious metals included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls over the physical count process and measurement of such inventory; • Evaluation of the independence competency and capabilities of the management's experts; • Physically observing inventory measurement and count procedures carried out by management using experts, to assess its appropriateness and completeness and performing roll forward procedures; and • Obtaining and inspecting inventory measurement and physical count results for such inventories, including assessing and evaluating the results of analysis performed by management in respect of differences between book and physical quantities. Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress inventories consisting of precious metals.
B. Provisions recognised and contingencies disclosed with regard to certain legal and tax matters including uncertain tax positions.	
Refer Notes 1D (k), 9C, 10, 22 and 43 to the consolidated financial statements. The Holding Company operate in a Complex tax jurisdiction with certain tax exemption/deduction that may be subject to challenge and audit by the tax authorities. There are open tax matters under litigation with tax authorities. As at March 31, 2022, the Holding Company has, recognised provisions and disclosed contingent liabilities towards various legal and tax matters. There are number of legal, direct and indirect tax cases against the Holding Company, including environmental, mining, local and state levies, income tax holidays, availing of input tax credits and such other matters. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, related legal advice including those leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources for recognising provisions, disclosing contingent liabilities and making related disclosures in the consolidated financial statements.	Our audit procedures relating to provisions recognised and contingencies disclosed with regard to certain legal and tax matters included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters; • Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss, and testing related to provisions and disclosures in the consolidated financial statements through inquiries with the management and legal counsel; • Assessing on test basis on the underlying calculation supporting the contingent liability and other litigations disclosures in the consolidated financial statements; • Reviewing orders and other communication from tax and regulatory authorities and management responses thereto; • Assessing the management expert's legal advice and opinion as applicable, obtained by the Holding Company's management to corroborate management assessment and evaluating competence and capabilities of the experts; and • Using auditor's specialist for technical assessment assistance in evaluating certain significant and judgemental complex direct and indirect tax litigation and positions in tax returns and their possible outcome. Based on the above procedures performed, we did not identify any material exceptions in the provisions recognised and contingent liabilities disclosed in the consolidated financial statements with regard to such legal and tax matters.

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Key Audit Matter	How our audit addressed the Key Audit Matter
C. Accounting of derivatives and hedging transactions	
Refer Notes 1B(R) and 46 to the consolidated financial statements. Holding Company's financial performance is significantly impacted by fluctuations in prices of aluminium, copper, gold, silver, furnace oil and foreign exchange rates. The Holding Company takes a structured approach to the identification, quantification and hedging of such risks by using various derivatives (e.g. forwards, futures, options and embedded derivatives) in commodities and/or foreign currencies. These hedges are designated as either cash flow or fair value hedges, and in certain cases remains non-designated. As at March 31, 2022, the carrying value of the Holding Company's derivatives included derivative assets amounting to ₹ 681 crores and derivative liabilities amounting to ₹ 3,763 crores. Derivative and hedge accounting is considered a key audit matter, because of its significance to the consolidated financial statements, the volume, nature and types of hedging relationships, including complexity involved in the application of hedge accounting principles in accordance with Ind AS 109, Financial Instruments.	Our audit procedures related to accounting of derivatives and hedging transactions included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls over accounting of derivatives and hedging transactions; • Testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including: ✓ Understanding the risk management objectives and strategies for different types of hedging programs; ✓ Evaluating that the hedging relationship consists only of eligible hedging instruments and hedged items; ✓ Using auditor's expert for assistance in verifying hedge effectiveness requirements of Ind AS 109, Financial Instruments, including the economic relationship between the hedged item and the hedging instrument. • Testing appropriateness of hedge accounting to qualified hedge relationships i.e. cash flow and fair value hedges; and • Testing related presentation and disclosures in the consolidated financial statements. Based on the above procedures performed, we did not identify any material exceptions in the amounts, presentation and disclosures made in the consolidated financial statements relating to accounting of derivatives and hedging transactions.

5. The following Key Audit Matter was included in the Memorandum of Work Performed issued by other auditor whose audit report dated May 24, 2022, contained an unmodified audit opinion on the consolidated financial information of Novelis Inc. ("Novelis"), a subsidiary of the Holding Company, which is reproduced by us as under:

Key Audit Matter	How the other auditor addressed the Key Audit Matter
Goodwill impairment assessment	
The Company's consolidated goodwill balance was ₹ 23,915 crores as of March 31, 2022. Management conducts an impairment test as of the last day of March of each year, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired. As disclosed by management, potential impairment is identified by comparing the recoverable value of each cash generating unit to its carrying value. The Company estimates the recoverable value based on fair value less costs to sell approach. If the carrying value exceeds the recoverable value, management records an impairment charge in an amount equal to that excess. The determination of recoverable value using the market and income approaches requires the use of management's significant assumptions related to selection of market multiples and control premium for the market approach and sales volumes, conversion premium, capital spending, working capital changes and the discount rate for the income approach.	Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial information. Our procedures included, among others: (i) Understanding and evaluating the design and testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the Company's cash generating units; (ii) Testing management's process for developing the fair value estimate of the cash generating units; (iii) Evaluating the appropriateness of the income and market approaches and the weighting of the approaches; (iv) Testing the completeness and accuracy of underlying data used in the approaches; (v) Evaluating the reasonableness of the significant assumptions used by management in the income and market approaches;

Key Audit Matter	How the other auditor addressed the Key Audit Matter
The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment is a Key Audit Matter are (i) the significant judgment by management when developing the fair value measurement of the cash generating units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to market multiples and control premium for the market approach and sales volumes, conversion premium, capital spending and the discount rate for the income approach; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge. Refer Notes 14 and 42 in the consolidated financial information of Novelis.*	(vi) Evaluating management's assumptions related to sales volumes and prices, costs to produce, and capital spending involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the cash generating units; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit; and (vii) Professionals with specialized skill and knowledge were used to assist in evaluating the appropriateness of the income and market approaches, the weighting of the approaches, and evaluating the reasonableness of the discount rate, control premium and market multiples assumptions. As a result of our procedures performed, no misstatements were noted.

* These notes are included in Note 1(D) (b) and 4 of the consolidated financial statements

6. The following Key Audit Matter was included in the Memorandum of Work Performed issued by an independent firm of Chartered Accountants along with their audit report dated May 17, 2022, which contained an unmodified audit opinion on the financial statements of Utkal Alumina International Limited ("Utkal"), a subsidiary of the Holding Company, which has been reproduced by us as under:

Key Audit Matter	How the other auditor addressed the Key Audit Matter
Valuation of deferred tax assets, including recognised Minimum Alternate Tax (MAT) credit	
The Company has significant amount of deferred tax assets, mainly resulting from carry forward unabsorbed depreciation and MAT credit as per Income Tax Act. The valuation of deferred tax assets including MAT is significant to our audit because the risk exists that future taxable profits will not be sufficient to fully recover the deferred tax assets including MAT credit. Management supports the recoverability of the deferred tax assets mainly with income projections which contain estimates of and tax strategies for future taxable income. Refer Notes 9 & 36* of Utkal's financial statements.	Our audit procedures included: • Evaluating the management' determination of the estimated manner in which the deferred tax asset would be utilised by comparing the management's assessment to business plans and long term profit forecasts and the key assumptions used in the projections based on our knowledge of the business and the industry in which the Company operates; • Critically assessing whether profit forecasts are reasonable in relation to historical trends, current year performance and future plans; • We also reperformed the calculation of deferred taxes, checking that the tax rate applied is proper. We compared the tax plans with the Company's budget on a sample basis in terms of the recoverability of deferred tax assets from temporary differences and from carried forwards of unabsorbed depreciation and MAT credit; • Using our own tax team to assist us in assessing the appropriateness of the level of deferred taxes recognised in the balance sheet; and • We assessed the adequacy of the income tax disclosures to the financial statements, setting out the basis of the deferred tax balance and the level of estimation involved. Our audit procedures did not lead to any reservations regarding the recognition, measurement and disclosure of deferred taxes.

* These notes are included in Note 9 of the consolidated financial statements.

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Other Information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our and other auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including, joint ventures and associate companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures and associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint ventures and associate companies 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures and associate companies are responsible for assessing the ability of the Group and of its joint ventures and associate companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and its joint ventures and associate companies or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its joint ventures and associate companies are responsible for overseeing the financial reporting process of the Group and of its joint ventures and associate companies.

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

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

    - Identify and assess the risks of material misstatement of the consolidated 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
    - Conclude on the appropriateness of the 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 ability of the Group and its joint ventures and associate companies 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 consolidated 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 Group and its joint ventures and associate companies to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures and associate companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of ten subsidiaries, consolidated financial information of one subsidiary and financial statements of two joint operations included in the consolidated financial statements of the Holding Company, which constitute total assets of ₹ 141,194 crores and net assets of ₹ 40,434 crores as at March 31, 2022, total revenue from operations of ₹ 130,751 crores, total comprehensive income (comprising of profit after tax and other comprehensive loss) of ₹ 7,851 crores and net cash inflows amounting to ₹ 561 crores for the year ended on that date. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit after tax and other comprehensive income) of ₹ 6 crores for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of one joint venture and four associate companies, whose financial statements have not been audited by us. These financial statements/ consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management/other auditors and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint operations, joint venture and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint operations, joint venture and associate companies, is based solely on the reports of the other auditors. Material uncertainty related to going concern has been reported by two joint operations and one subsidiary during the year which are not material to the Group.

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17. We did not audit the financial information of three subsidiaries and two trusts included in the consolidated financial statements of the Holding Company, which constitute total assets of ₹ 250 crores and net assets of ₹ 32 crores as at March 31, 2022, total revenue from operations of ₹ 287 crores, total comprehensive loss (comprising of loss after tax and other comprehensive income) of ₹ 13 crores and net cash inflows amounting to ₹ 175 crores for the year ended on that date. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit after tax and other comprehensive income) of ₹ Nil for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of one joint venture, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, trusts and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, trusts and joint venture is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure A"**, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its joint operations, its subsidiary companies, joint venture and associate companies incorporated in India, none of the directors of the Holding Company, its joint operations, its subsidiary companies, its joint venture and associate companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, joint operations, subsidiaries, joint venture and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in **"Annexure B".**
    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associate companies– Refer Note 22, 9C and 43 to the consolidated financial statements.
        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2022– Refer Note 22 and 46 to the consolidated financial statements in respect of such items as it relates to the Group, its joint ventures and associate companies.
        iii. Except as referred to in Note 21B to the consolidated financial statements, there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company, its joint operations, subsidiary companies, joint venture and associate companies incorporated in India during the year.
        iv. (a) The respective Managements of the Holding Company, joint operations, subsidiaries, joint venture and associates companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such joint operations, subsidiaries, joint venture and associates companies respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such joint operations, subsidiaries, joint venture and associates companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such joint operations, subsidiaries, joint venture and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53(C) to the consolidated financial statements);
        (b) The respective Managements of the Holding Company, joint operations, subsidiaries, joint venture and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such joint operations, subsidiaries, joint venture and associates companies respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such joint operations, subsidiaries, joint venture and associates companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such joint operations, subsidiaries, joint venture and associates companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53(C) to the consolidated financial statements).
        (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the joint operations, subsidiaries, joint venture and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.
        v. The dividend declared and paid during the year by the Holding Company, and two associate companies is in compliance with Section 123 of the Act. The joint operations, subsidiary companies, three associate companies and joint venture has not declared or paid any dividend during the year.
20. The Holding Company and its joint operations, subsidiary companies, joint venture and associate companies incorporated as public companies in India have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AJPZYN4652

Mumbai
May 26, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of Hindalco Industries Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1	Mahan Coal Limited	U01010MP2006PLC018586	Joint Operation	May 17, 2022	xiv. The Company did not have an internal audit system for the year under Audit. xvii. The Company has incurred cash losses during the current financial year as well as in the immediately preceding financial year. The amount of cash loss during the current year is ₹ 3,361.71 and ₹ 38,615.09 in the immediately preceding financial year.
2	Tubed Coal Mines Limited	U10100MH2007PLC174466	Joint Operation	May 23, 2022	vii. (a). According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company does not have any undisputed statutory dues related to of Provident Fund, Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty, VAT and GST as on March 31, 2022. However, the Company is regular in depositing Income tax with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at March 31, 2022 for a period exceeding six months from the date they became payable. The Company is yet to pay Professional Tax of ₹ 4,600 for FY 18-19, ₹ 4,600/- for FY 19-20, ₹ 4,600/- for FY 20-21 and ₹ 3,700/- for FY 21-22. xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
3.	Renukeshwar Investments & Finance Limited	U65910UP1994PLC017080	Subsidiary	May 11, 2022	xvi. (b) According to the information and explanations given to us, the Company has applied for registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) to carry on the business of a NBFC, in the office of RBI, Kanpur, but the registration number is still awaited and has conducted Non-Banking Financial activities as per the Reserve Bank of India Act, 1934.
4.	East Coast Bauxite Mining Company	U13203OR2007PTC009597	Subsidiary	May 23, 2022	xvi. Cash Losses- In our opinion and on the basis of available Financial Statements Subjected to audit, the company has incurred cash losses in the current financial Year and in the immediately preceding Financial Year. The figures of Current Financial Year and the Previous financial Year are ₹ 47,305/- & ₹ 20,862/- respectively.
5.	MNH Shakti Limited	U10100OR2008GOI010171	Joint Venture	May 06, 2022	(xvii) The company has not commenced any business/service during the year. It has incurred cash loss during the financial year covered by our audit and also in the immediately preceding financial year on account of preoperative expenses incurred by the company.
6.	Aditya Birla Renewable Solar Limited	U40106MH2020PLC339323	Associate	April 27, 2022	(xvii) The Company has not incurred the cash losses in the current year however the Company has incurred cash losses of ₹ 33.52 lakhs in the immediately preceding financial year.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AJPZYN4652

Mumbai
May 26, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of Hindalco Industries Limited on the consolidated financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to consolidated financial statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Hindalco Industries Limited [hereinafter referred to as "the Holding Company (excluding two trusts which are not companies incorporated in India)] and its subsidiaries (excluding two subsidiaries which are not companies incorporated in India), its joint venture and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its joint operations, its subsidiaries, its joint venture and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its joint operations, its subsidiary companies, its joint venture and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to twelve subsidiary companies, two joint operations, one joint venture and four associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AJPZYN4652

Mumbai
May 26, 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Crore)

	Note No.	As at 31/03/2022	As at 31/03/2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment (including Right of Use Assets)	2	76,470	70,849
Capital Work-in-Progress	2	4,727	10,013
Investment Property	3	21	21
Goodwill	4	23,965	23,317
Other Intangible Assets	5	6,418	6,082
Intangible Assets under Development	5	218	189
Equity Accounted Investments	48D, E	51	46
Financial Assets			
Investments	6A	8,616	7,670
Trade Receivables	12	-	53
Loans	7	50	12
Derivatives	46B	305	256
Other Financial Assets	8A	786	1,147
Non-Current Tax Assets (Net)	9C	8	4
Deferred Tax Assets (Net)	9B	1,207	924
Other Non-Current Assets	10	1,677	1,525
		124,519	122,108
Current Assets			
Inventories	11	44,483	30,668
Financial Assets			
Investments	6B	5,452	9,417
Trade Receivables	12	21,076	12,959
Cash and Cash Equivalents	13	11,639	8,339
Bank Balances other than Cash and Cash Equivalents	14	5,753	470
Loans	7	7	47
Derivatives	46B	3,366	1,495
Other Financial Assets	8B	2,131	1,211
Current Tax Assets (Net)	9C	186	207
Other Current Assets	10	4,362	2,673
		98,455	67,486
Non-Current Assets or Disposal Group Classified as Held For Sale	15A	88	152
		98,543	**67,638**
		223,062	**189,746**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	222	222
Other Equity	17	77,969	66,311
		78,191	**66,533**
Non-Controlling Interest		11	10
		78,202	**66,543**

(₹ in Crore)

	Note No.	As at 31/03/2022	As at 31/03/2021
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18A	51,635	58,985
Lease Liabilities	2	972	928
Trade Payables	20		
(I) Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(II) Outstanding Dues other than Micro Enterprises and Small Enterprises		-	-
Derivatives	46B	464	427
Other Financial Liabilities	21A	139	133
Provisions	22	6,848	8,146
Contract Liabilities	24	10	12
Deferred Tax Liabilities (Net)	9B	5,631	4,530
Other Non-Current Liabilities	23	1,888	1,539
		67,587	**74,700**
Current Liabilities			
Financial Liabilities			
Borrowings	18B	11,600	6,993
Lease Liabilities	2	279	300
Supplier's Credit	19	2,456	255
Trade Payables	20		
(I) Outstanding Dues of Micro Enterprises and Small Enterprises		105	58
(II) Outstanding Dues other than Micro Enterprises and Small Enterprises		41,277	28,177
Derivatives	46B	10,657	3,601
Other Financial Liabilities	21B	3,607	2,531
Provisions	22	2,841	2,610
Current Tax Liabilities (Net)	9C	2,120	2,126
Contract Liabilities	24	365	347
Other Current Liabilities	23	1,873	1,386
		77,180	**48,384**
Liability Associated with Disposal Group Classified as Held For Sale	15B	93	119
		77,273	**48,503**
		144,860	**123,203**
		223,062	**189,746**
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Balance Sheet referred in our report of even date

For and on behalf of the Board of **Hindalco Industries Limited**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Praveen Kumar Maheshwari
Whole-time Director and
Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Sarah George
Partner
Membership No. 045255

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Place: Mumbai
Date: May 26, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Crore)

	Note No.	Year ended 31/03/2022	Year ended 31/03/2021
CONTINUING OPERATIONS:			
INCOME			
Revenue from Operations	25	195,059	132,008
Other Income	26	1,136	1,199
Total Income		**196,195**	**133,207**
EXPENSES			
Cost of Materials Consumed	27	125,335	77,484
Trade Purchases	28	1,958	1,098
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	29	(9,753)	(2,146)
Employee Benefits Expense	30	11,936	10,782
Power and Fuel	31	11,146	8,667
Finance Cost	32	3,768	3,738
Depreciation and Amortization Expense	33	6,729	6,628
Impairment Loss/ (Reversal) on Non-Current Assets (Net)	34	155	138
Impairment Loss/ (Reversal) on Financial Assets (Net)	35	155	(26)
Other Expenses	36	25,780	18,452
Total Expenses		**177,209**	**124,815**
Profit/ (Loss) before Share in Profit/ (Loss) in Equity Accounted Investments, Exceptional Items and Tax		18,986	8,392
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	48D,E	6	5
Profit/ (Loss) before Exceptional Items and Tax		18,992	8,397
Exceptional Income/ (Expenses) (Net)	37	582	(492)
Profit/ (Loss) before Tax		**19,574**	**7,905**
Tax Expense	9A		
Current Tax Expense		3,801	1,881
Deferred Tax Expense		1,572	842
Profit/ (Loss) for the year from Continuing Operations		**14,201**	**5,182**
DISCONTINUED OPERATIONS:	50		
Profit/ (Loss) for the Year from Discontinued Operations		(464)	(2,066)
Tax Expense/ (Benefit) of Discontinued Operations		7	(367)
Profit/ (Loss) for the year from Discontinued Operations		**(471)**	**(1,699)**
Profit/ (Loss) for the year		**13,730**	**3,483**
Other Comprehensive Income/ (Loss)	38		
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of Defined Benefit Obligation		1,172	1,117
Remeasurement of Defined Benefit Obligation of Discontinued Operations		-	60
Change in Fair Value of Equity Instruments Designated as FVTOCI		1,211	4,358
Share in Equity Accounted Investments		-	-
Income Tax effect		(537)	(327)

(₹ in Crore)

	Note No.	Year ended 31/03/2022	Year ended 31/03/2021
Items that will be reclassified to Statement of Profit and Loss			
Change in Fair Value of Debt Instruments Designated as FVTOCI		(9)	(9)
Effective Portion of Cash Flow Hedges		(4,867)	(1,769)
Cost of Hedging Reserve		(75)	(168)
Foreign Currency Translation Reserve		525	959
Income Tax effect		1,432	563
Other Comprehensive Income/ (Loss) for the year		**(1,148)**	**4,784**
Total Comprehensive Income/ (Loss) for the year		**12,582**	**8,267**
Profit/ (Loss) attributable to:			
Owners of the Company		13,730	3,483
Non-Controlling Interests		-	-
Other Comprehensive Income/ (Loss) attributable to:			
Owners of the Company		(1,148)	4,784
Non-Controlling Interests		-	-
Total Comprehensive Income/ (Loss) attributable to:			
Owners of the Company		12,582	8,267
Non-Controlling Interests		-	-
Total Comprehensive Income/ (Loss) attributable to Owners of the Company from:			
Continuing Operations		13,053	9,915
Discontinued Operations		(471)	(1,648)
Earnings Per Share:	39		
Basic - Continuing Operations (₹)		63.85	23.30
Diluted - Continuing Operations (₹)		63.77	23.29
Basic - Discontinued Operations (₹)		(2.12)	(7.64)
Diluted - Discontinued Operations (₹)		(2.12)	(7.64)
Basic - Continuing and Discontinued Operations (₹)		61.73	15.66
Diluted - Continuing and Discontinued Operations (₹)		61.65	15.65
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Profit and Loss referred in our report of even date

For and on behalf of the Board of **Hindalco Industries Limited**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Praveen Kumar Maheshwari
Whole-time Director and
Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Sarah George
Partner
Membership No. 045255

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Place: Mumbai
Date: May 26, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity Share Capital

(₹ in Crore)

Particulars	Note	Amount
Balance as at April 01, 2020	16	222
Balance as at March 31, 2021	16	222
Balance as at March 31, 2022	16	222

B. Other Equity

(₹ in Crore)

Particulars	Note	Equity Component of Other Financial Instruments	Reserve and Surplus										Other Reserves					Attributable to Owners of the Company	Attributable to Non Controlling Interests	Total Other Equity
			Capital Reserve	Capital Redemption Reserve	Business Recon-struction Reserve	Securi-ties Premium	Debenture Redemption Reserve	Employees Stock Options	Treasury Shares heldby ESOP Trust	Special Reserve	General Reserve	Retained Earn-ings	Gain/ (Loss) on Equity Instruments FVTOCI	Gain/ (Loss) on Debt Instruments FVTOCI	Effective portion of Cash Flow Hedge	Cost of Hedging Reserve	Foreign Currency Translation Reserve			
Balance as at April 01, 2020		**4**	**147**	**104**	**5,799**	**8,218**	**1,200**	**44**	**(130)**	**19**	**21,370**	**18,806**	**325**	**7**	**(130)**	**119**	**2,193**	**58,095**	**10**	**58,105**
Profit/ (Loss) for the year		-	-	-	-	-	-	-	-	-	-	3,483	-	-	-	-	-	3,483	-	3,483
Other Comprehensive Income/(Loss) for the year		-	-	-	-	-	-	-	-	-	-	860	4,348	(6)	(1,268)	(109)	959	4,784	-	4,784
Total Comprehensive Income/(Loss) for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,343**	**4,348**	**(6)**	**(1,268)**	**(109)**	**959**	**8,267**	**-**	**8,267**
Hedging (gain)/ loss and cost of hedging transferred to non-financial assets		-	-	-	-	-	-	-	-	-	-	-	-	-	142	-	-	142	-	142
Transfer to Debenture Redemption Reserve		-	-	-	-	-	150	-	-	-	-	(150)	-	-	-	-	-	-	-	-
Transfer to Special Reserve		-	-	-	-	-	-	-	-	1	-	(1)	-	-	-	-	-	-	-	-
Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	10	-	10
Transactions with owners in their capacity as owners																				
Shares Issued by the Trust		-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1	-	1
Employee Share Based Transactions		-	-	-	-	7	-	(4)	-	-	-	-	-	-	-	-	-	3	-	3
Employee Share Options Expenses		-	-	-	-	-	-	15	-	-	-	-	-	-	-	-	-	15	-	15
Employee Share Options Lapsed/Forfeited		-	-	-	-	-	-	(1)	-	-	-	1	-	-	-	-	-	-	-	-
Dividend Paid		-	-	-	-	-	-	-	-	-	-	(222)	-	-	-	-	-	(222)	-	(222)

(₹ in Crore)

Particulars	Note	Equity Component of Other Financial Instruments	Reserve and Surplus										Other Reserves					Attributable to Owners of the Company	Attributable to Non Controlling Interests	Total Other Equity
			Capital Reserve	Capital Redemption Reserve	Business Recon-struction Reserve	Securi-ties Premium	Debenture Redemption Reserve	Employees Stock Options	Treasury Shares heldby ESOP Trust	Special Reserve	General Reserve	Retained Earn-ings	Gain/ (Loss) on Equity Instruments FVTOCI	Gain/ (Loss) on Debt Instruments FVTOCI	Effective portion of Cash Flow Hedge	Cost of Hedging Reserve	Foreign Currency Translation Reserve			
Balance as at March 31, 2021	17	**4**	**147**	**104**	**5,799**	**8,225**	**1,350**	**54**	**(129)**	**20**	**21,370**	**22,777**	**4,673**	**1**	**(1,246)**	**10**	**3,152**	**66,311**	**10**	**66,321**
Profit/ (Loss) for the year		-	-	-	-	-	-	-	-	-	-	13,730	-	-	-	-	-	13,730	-	13,730
Other Comprehensive Income/(Loss) for the year		-	-	-	-	-	-	-	-	-	-	883	963	(6)	(3,464)	(49)	525	(1,148)	-	(1,148)
Total Comprehensive Income/(Loss) for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14,613**	**963**	**(6)**	**(3,464)**	**(49)**	**525**	**12,582**	**-**	**12,582**
Hedging (gain)/ loss and cost of hedging transferred to non-financial assets		-	-	-	-	-	-	-	-	-	-	-	-	-	(151)	-	-	(151)	-	(151)
Realised Gain/(Loss) on Equity FVTOCI transferred to Retained Earnings		-	-	-	-	-	-	-	-	-	-	302	(302)	-	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve		-	-	-	-	-	150	-	-	-	-	(150)	-	-	-	-	-	-	-	-
Transfer to Special Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Changes		-	-	-	-	-	-	-	-	-	-	(67)	-	-	(33)	-	32	(68)	1	(67)
Transactions with owners in their capacity as owners																				
Share in Equity Accounted Investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares Acquired by the Trust		-	-	-	-	-	-	-	(94)	-	-	-	-	-	-	-	-	(94)	-	(94)
Shares Issued by the Trust		-	-	-	-	-	-	(11)	24	-	-	2	-	-	-	-	-	15	-	15
Employee Share Based Transactions		-	-	-	-	9	-	(3)	-	-	-	-	-	-	-	-	-	6	-	6
Employee Share Options Expenses		-	-	-	-	-	-	35	-	-	-	-	-	-	-	-	-	35	-	35
Dividend Paid		-	-	-	-	-	-	-	-	-	-	(667)	-	-	-	-	-	(667)	-	(667)
Balance as at March 31, 2022	17	**4**	**147**	**104**	**5,799**	**8,234**	**1,500**	**75**	**(199)**	**20**	**21,370**	**36,810**	**5,334**	**(5)**	**(4,894)**	**(39)**	**3,709**	**77,969**	**11**	**77,980**
Basis of Preparation and Significant Accounting Policies	1																			

The accompanying Notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Changes in Equity referred in our report of even date

For and on behalf of the Board of **Hindalco Industries Limited**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Praveen Kumar Maheshwari
Whole-time Director and
Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Sarah George
Partner
Membership No. 045255

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Place: Mumbai
Date: May 26, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

	Note No.	Year ended 31/03/2022	Year ended 31/03/2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss)before Tax from Continuing Operations		19,574	7,905
Adjustment for :			
Finance Cost	32	3,768	3,738
Depreciation and Amortization Expense	33	6,729	6,628
Impairment Loss/ (Reversal) of Non-Current Assets (Net)	34	155	138
Impairment Loss/ (Reversal) on Financial Assets (Net)	35	155	(26)
Non-Cash Employee Share-Based payments	30	35	15
Share in (Profit)/ Loss in Equity Accounted Investments (Net of Tax)	48D, E	(6)	(5)
Unrealised Foreign Exchange (Gain)/ Loss (Net)		(113)	(37)
Unrealised (Gain)/ Loss on Derivative Transactions (Net)		353	487
(Gain)/ Loss on Modification of Borrowings (Net)		(183)	(117)
(Gain)/ Loss on Property, Plant and Equipment and Intangible Assets Sold/ Discarded (Net)	26	100	35
Interest Income	26	(225)	(181)
Dividend Income	26	(32)	(25)
(Gains)/ Losses on Investments measured at Fair Value through Profit and Loss (Net)	26	(359)	(543)
Exceptional (Income)/ Expenses (Net)		(5)	(127)
Changes in Cash Flow Hedges net of reclassification from OCI		(34)	(121)
Amortisation of government grants		(255)	(116)
Other Non-operating (Income)/ Expenses (Net)		69	-
Operating Profit before Working Capital Changes		**29,726**	**17,648**
Changes in Working Capital:			
(Increase)/ Decrease in Inventories		(13,690)	(4,640)
(Increase)/ Decrease in Trade Receivables		(7,886)	(2,001)
(Increase)/ Decrease in Other Financial Assets		(285)	346
(Increase)/ Decrease in Non-Current Assets		(1,434)	399
Increase/ (Decrease) in Trade Payables		12,683	7,361
Increase/ (Decrease) in Other Financial Liabilities		983	(289)
Increase/ (Decrease) in Non-Current Liabilities (incl. contract liabilities)		497	344
Cash Generated from Operation before Tax		**20,594**	**19,168**
Refund/ (Payment) of Income Tax (Net)		(3,773)	(1,256)
Net Cash Generated/ (Used) - Operating Activities - Continuing Operations		**16,821**	**17,912**
Net Cash Generated/ (Used) - Operating Activities - Discontinued Operations		**17**	**(680)**
Net Cash Generated/ (Used) - Operating Activities		**16,838**	**17,232**
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments to acquire Property, Plant and Equipment, Intangible Assets and Investment Property		(5,426)	(5,565)
Proceeds from disposal of Property, Plant and Equipment, Intangible Assets and Investment Property		71	48
Net cash inflow on disposal of Subsidiaries		66	-
Acquisition of business, net of cash acquired		(412)	(19,524)
Investment in equity accounted investees		(1)	-
Investment in Equity Shares at FVTOCI		363	(43)
(Purchase)/ Sale of Other Investments (Net)		4,226	(2,775)
Loans and Deposits given		(6,214)	(266)
Receipt of Loans and Deposits given		5	5
Interest Received		207	203
Dividend Received		32	25
Lease payments received from finance lease		9	10
Net Cash Generated/ (Used) - Investing Activities - Continuing Operations		**(7,074)**	**(27,882)**
Net Cash Generated/ (Used) - Investing Activities - Discontinued Operations		**-**	**2,245**
Net Cash Generated/ (Used) - Investing Activities		**(7,074)**	**(25,637)**

(₹ in Crore)

	Note No.	Year ended 31/03/2022	Year ended 31/03/2021
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares (Including Share Application Money)		6	3
Treasury Shares acquired by ESOP Trust		(94)	-
Proceeds from shares issued by ESOP Trust		15	2
Redemption of Debentures		(3)	(3)
Proceeds from Borrowings		14,197	14,105
Pre-payment of Non-current Borrowings		(17,321)	(12,472)
Repayment of Borrowings		(623)	(4,053)
Increase/ (Decrease) in Supplier's Credit (Net)		2,161	255
Principal Payments of Lease Liabilities		(337)	(331)
Proceeds from/ (Repayment) of Current Borrowings (Net)		(849)	1,528
Finance Cost Paid		(3,250)	(3,678)
Dividend Paid (including Dividend Distribution Tax)		(667)	(222)
Net Cash Generated/ (Used) - Financing Activities - Continuing Operations		**(6,765)**	**(4,866)**
Net Cash Generated/ (Used) - Financing Activities - Discontinued Operations		**-**	**(16)**
Net Cash Generated/ (Used) - Financing Activities		**(6,765)**	**(4,882)**
Net Increase/ (Decrease) in Cash and Cash Equivalents		**2,999**	**(13,287)**
Add : Opening Cash and Cash Equivalents		8,339	21,269
Add : Effect of exchange variation on Cash and Cash Equivalents		301	357
Closing Cash and Cash Equivalents		11,639	8,339
Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet:			
Cash and Cash Equivalents as per Balance Sheet	13	11,639	8,339
Less: Temporary Overdraft Balance in Current Accounts		-	-
Cash and Cash Equivalents as per Cash Flow Statement		**11,639**	**8,339**
Supplemental Information			
(i) Non Cash Transactions from Investing and Financing Activities:			
Acquisition of Right of Use Assets		412	451
(ii) Capitalised interest paid included in Investing activities		118	151
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Consolidated Financial Statements

This is the Consolidated Statement of Cash Flows referred in our report of even date

For and on behalf of the Board of **Hindalco Industries Limited**

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Praveen Kumar Maheshwari
Whole-time Director and
Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Sarah George
Partner
Membership No. 045255

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Place: Mumbai
Date: May 26, 2022

Notes
forming part of the Consolidated Financial Statements

Company Overview

Hindalco Industries Limited ("the Company/ Parent") was incorporated in India in the year 1958 having its registered office at Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai - 400093.

The Company has two main stream of business Aluminium and Copper.

In Aluminium, the Company caters to the entire value chain starting from mining of bauxite and coal through production of value added products for various application.

The Company along with its subsidiaries has manufacturing operations in ten countries including India spread over four continents North America, South America, Asia and Europe. Apart from primary aluminium, the Company produces aluminium sheet, extrusion and light gauge products for use in packaging market which includes beverage and food, can and foil products as well as for use in automotive, electronic, architecture, transportation and industrial product markets.

The Company also has one of the largest single location Copper smelting facility in India.

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and GDRs are listed on the Luxembourg Stock Exchange.

1. Basis of Preparation and Significant Accounting Policies

1A. Basis of Preparation

The Consolidated Financial Statements ("the financial statements") relate to the Company and its subsidiaries (collectively "the Group") and certain unstructured entities consolidated by the Group and its interest in associates and joint ventures.The consolidated financial statements comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015, (including subsequent amendments) and other accounting principles generally accepted in India.

The Group's consolidated financial statements for the year ended March 31, 2022 have been approved for issue by the Board of Directors of the Company in their meeting held on May 26, 2022.

The financial statements have been prepared under the historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value:

- Certain financial instruments - measured at fair value;
- Assets held for sale - measured at fair value less cost to sell;
- Plan assets under defined benefit plans - measured at fair value;
- Liabilities for Cash settled share-based payments; and
- Inventories those are designated in a Fair value hedge relationship where both the derivative and inventory are fair valued.

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in the financial statements is determined on such a basis, except for employee share-based payment, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

The Group has determined current and non-current classification of its assets and liabilities in the financial statements as per the requirement of Ind AS 1 - 'Presentation of Financial Statements'. Based on its assessment, the Group has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Consolidated Financial Statements are presented in Indian Rupees (INR/₹) which is also the Parent's Functional Currency. All financial information presented in INR has been rounded off to nearest crore Rupees (INR 1 crore = INR 10,000,000) without any decimal, unless otherwise stated.

1B. Significant Accounting Policies:

A. Principles of Consolidation

Subsidiaries

Subsidiaries are the entities (including structured and unstructured entities) over which the Group has control. The Group controls an entity when the group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains the control until the date the Group ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised profits on transactions between group companies are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra-group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If any entity within the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group entity's financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impractical to do so.

Non-controlling interest in the profit / loss and equity of the subsidiaries are shown separately in the consolidated statement of profit and loss and the consolidated balance sheet, respectively.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. This results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the parent.

In case the Group ceases to consolidate a subsidiary because of a loss of control, any retained interest in the entity is re-measured to its fair value. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial assets. When the Group loses control over a subsidiary, it derecognises the assets, including goodwill, and liabilities of the subsidiary, carrying amount of any non-controlling interests, cumulative translation differences recorded in equity and recognise resulting difference between the fair value of the investment retained and the consideration received and total of amount derecognised as gain or loss attributable to the Parent. In addition, amounts, if any,previously recognised in other comprehensive income in relation to that entity are reclassified to profit or loss as would be required if the parent had directly disposed of the related assets or liabilities.

Interest in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies, generally accompanying a shareholding between 20% and 50% of the voting rights.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's interest in its associates or joint ventures are accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Under equity method, the investment in an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Dividends received

Notes
forming part of the Consolidated Financial Statements

or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as Goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognised in equity as Capital Reserve in the period in which the investment is acquired.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of that changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains or losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses of an associate or a joint venture equals or exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the group resumes recognising its share of those profits only after its share of the profit equals the share of losses not recognised.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the impairment loss in the consolidated statement of profit and loss. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases. Goodwill relating to associate or joint venture is included in the carrying amount of the investment and is not separately tested for impairment.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate.

If ownership interest in an associate or a joint venture is reduced but significant influence or joint control is retained, the Group continues to use the equity method, and only proportionate share of the amount previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where appropriate.

When the Group classified its investments, or a portion thereof, in associate or joint venture as held for sale, it discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

Upon loss of significant influence over the associate or joint venture, the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture and the fair value of retained investment and proceeds from disposal is recognised in the consolidated statement of profit and loss.

See Note 48 - Interest in Other Entities for further details.

B. Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their acquisition date fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements, lease liabilities under Ind AS 116 and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measuredas per the applicable Ind-AS.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The excess of the sum of the consideration transferred the amount of any non-controlling interests in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets acquired is recognised as goodwill. Any gain on a bargain purchase is recognised is in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of contingent consideration are recognised in profit or loss.

When a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss or other comprehensive income, as appropriate.

Where it is not possible to complete the determination of fair values by the end of the reporting period in which the combination occurs, a provisional assessment of fair values is made and any adjustments required to those provisional values, and the corresponding adjustments to goodwill, are finalised within 12 months of the acquisition date.

See Note 49 - Business Combination for further details.

C. Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standard applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

See Note 48 - Interest in Other Entities for further details.

D. Property, Plant and Equipment

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment recycled from hedge reserve as basis adjustment.

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In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency transferred from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Group, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance which can be measured reliably are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are charged to profit and loss during the reporting period in which they are incurred.

Capital work-in-progress

Capital work-in-progress comprise of tangible items in the course of construction for production or/and supply of goods or services or administrative purposes are carried at cost, less any accumulated impairment loss. At the point when an asset is capable of operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed/retired from active use.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful life of the items of Property, Plant and Equipment estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013. (refer Note 2).

Disposal of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in theconsolidated statement of profit and loss.

See Note 2A - Property, Plant and Equipment and Capital Work-in-Progress for further details.

See Note 33 - Depreciation and Amortization Expense for further details.

E. Investment Property

Investment properties held to earn rentals or for capital appreciation or both are stated in the consolidated balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the consolidated statement of profit and loss.Transfer to, or from, investment property is at the carrying amount of the property.

See Note 3 - Investment Property for further details.

See Note 33 - Depreciation and Amortization Expense for further details.

F. Intangible Assets (Other than goodwill)

Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight line basis over their estimated useful lives other than 'Mining Rights' and 'Carbon Emission Rights'. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- management's intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the consolidated statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Identified intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Mining Reserves, Resources and Rights (Mining Rights)

Mineral reserves, resources and rights (together referred to as 'mining rights') which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Exploration for and evaluation of mineral resources

Expenditures associated with exploration for and evaluation of mineral resources after obtaining of legal rights to explore a specific area but before technical feasibility and commercial viability of extracting mineral resources are demonstrable are recognized as Exploration and Evaluation assets.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the consolidated statement of profit and loss.

The Group measure its Exploration and Evaluation assets at cost and classifies it as Property, Plant and Equipment or Intangible Assets according to the nature of assets acquired and applies the classification consistently.

As the assets are not available for use, it is not depreciated but are monitored for indication of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting minerals resources are demonstrable and the development of the deposit is intended by the management. The carrying value of such exploration and evaluation asset is reclassified as Mining Rights.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

See Note 5 - Other Intangible Assets and Intangible Assets under Development for further details.

See Note 33 - Depreciation and Amortization Expense for further details.

G. Stripping cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal / bauxite reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly

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improved access to ore, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

The overburden removal costs are included in Mining Rights under Intangible assets and amortised based on stripping ratio on the quantity of coal / bauxite excavated.

See Note 5 - Other Intangible Assets and Intangible Assets under Development for further details.

See Note 33 - Depreciation and Amortization Expense for further details.

H. Non-Current assets (or disposal groups) held for sale

Non-Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-Current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated balance sheet.

Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale and that represents a separate line of business or geographical area of operations, is part of single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit and loss.

See Note 15 - Non-Current Assets or Disposal Group Classified as Held For Sale for further details.

See Note 50 - Discontinued Operations for further details.

I. Goodwill

Goodwill arising on acquisition is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described above.

See Note 4 - Goodwill for further details.

J. *Impairment of Non-Current Assets (excluding Goodwill)*

At the end of each reporting period, the Group reviews the carrying amounts of its tangible, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset/ cash-generating unit is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less cost to sell and Value in use. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit and loss.

Non-current assets (other than Goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

Refer Note 1B (I.) on accounting policy on Goodwill for impairment of goodwill.

See Note 2 - Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress for further details.

See Note 3 - Investment Property for further details.

See Note 5 - Other Intangible Assets and Intangible Assets under Development for further details.

See Note 34 - Impairment Loss/ (Reversal) of Non-Current Assets (Net) for further details.

K. Foreign Currency Transactions and Translation

Transactions in foreign currencies are recorded by the group entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss with the exception of the following:

- eligible exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest costs;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measures at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

For the purposes of presenting consolidated financial statements, the assets, liabilities and equity (except retained earnings) of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their income and expenses are translated at the exchange rates prevailing at the date of transactions. For practical reason, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in equity. Accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a foreign operation all of the exchange differences accumulated in OCI relating to that particular foreign operation attributable to the owners of the Group is reclassified in the consolidated statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences

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are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit and loss. For partial disposals of investment in associates or joint arrangements that do not result in the Group losing significant influence or joint control, the proportionate share of the accumulated exchange differences is reclassified in the consolidated statement of profit and loss.

Any goodwill and fair value adjustments arising in business combinations or acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates prevailing at the reporting date and resulting exchange differences are recognised in other comprehensive income.

See Note 32 - Finance Cost for further details.

See Note 36 - Other Expenses for further details.

See Note 38 - Other Comprehensive Income/ (Loss) for further details.

L. Provisions and Contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Restructurings

A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected that the Group will carry out the restructuring by stating to implement the plan or announcing its main feature to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with Ind-AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 115 - Revenue from contracts with customers. This does not apply to financial guarantee contracts or otherwise to those contracts that are within the scope of Ind AS 109.

Restoration (including Mine closure), rehabilitation and decommissioning

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, plant and equipment".

Environmental liabilities

Environment liabilities are recognised when the group becomes obliged, legally or constructively to rectify environmental damage or perform remediation work.

Litigation

Provision relating to legal, tax and other matters is recognised once it has been established that the group has a present obligation based on consideration of the information which becomes available up to the date on which the consolidated financial statements of the Group are approved and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the consolidated financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the consolidated financial statements unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised.

Enterprise Social Commitment

Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area over a period of time where any new project is set up. Such obligation arises out of conditions mentioned in the Environment Clearance Certificate given by the Government for new projects and are generally defined as a percentage of total project cost. Present value of such future cash flows discounted at appropriate and applicable discount rates are capitalised against the obligation created. Actual cash flows that happen over the period are adjusted against the obligation. The obligation is increased over a period of time and the differential is recognized in the Statement of Profit and Loss as Interest Expense.

Renewable Power Obligation

Provision towards Renewable Power obligation is created to the extent any obligated unit is unable to source renewable energy as a replacement to carbon energy as per requirement of the applicable regulation during the reporting period and is carried in books till the obligation is discharged by purchasing Renewable Energy Certificate from any of the authorised exchanges.

See Note 22 - Provisions for further details.

See Note 43 - Contingent Liabilities and Commitments for further details.

M. Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk and makes adjustments specific to the lease, e.g. term, security etc.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) to reflect any reassessment, lease modification or revised in-substance fixed lease payments.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

For the certain class of assets, the Group allocates lease or non-lease components on the basis of their relative stand-alone prices while assessing a contract at its inception or on reassessment.

The Group applies Ind AS 36 - Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'Property, Plant and Equipment'.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

Sale and Leaseback

When Group (seller-lessee) sells an asset to another entity (the buyer-lessor) and leases it back from the buyer lessor, the Group determines if the transaction qualifies as a sale under Ind AS 115 or whether the transaction is a collateralised borrowing.

A sale and leaseback qualifies as a sale if the buyer-lessor obtains control of the underlying asset. The Group measures a right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The gain/ (loss) that the Group recognises is limited to the proportion of the total gain/ (loss) that relates to the rights transferred to the buyer-lessor.

Any difference between the sale consideration and the fair value of the asset is either a prepayment of lease payments (if the purchase price is below market terms) or an additional financing (if the purchase price is above market terms), and this is applied if the lease payments are not at market rates.

If the transfer does not qualify as a sale under Ind AS 115, the Group does not derecognise the transferred asset, and it accounts for the cash received as a financial liability.

The Group as lessor

The Group enters into lease arrangements as a lessor with respect to some of its investment properties and buildings.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies Ind AS 115, Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

See Note 2 - Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress and Note 36 - Other Expenses for further details.

See Note 2C - Lease Liabilities recognised against Right of Use assets for further details.

N. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/ losses on qualifying cash flow hedges for purchases of raw materials.

Cost of raw material and traded goods comprises of Cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition and are net of rebates and discounts.

The Inventories are measured at Fair Value only in those cases where the Inventories are designated into a fair value hedge relationship.

Cost is determined using the weighted average cost basis. However, the same cost basis is applied to all inventories of a particular class.Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or above cost.

See Note 11 - Inventories for further details.

O. Trade Receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as Current Assets otherwise as Non-Current Assets.

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less loss allowance.

Trade receivables which are subject to a factoring arrangement without recourse are de-recognized from the consolidated balance sheet. Under this arrangement, the Group transfers relevant receivables to the factor in exchange for cash and does not retain late payment and credit risk.

Trade receivables which arise from contracts where the sale price is provisional and revenue model have the character of a commodity derivative are measured at fair value. The fair value is measured at forward rate and subsequent changes are recognised as Other Operating Revenue.

See Note 12 - Trade Receivables for further details.

P. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group and are unpaid at the end of the financial year. The amounts are unsecured and usually paid within time limits as contracted. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

They are recognised initially at their transactional value which represents the fair value and subsequently measured at amortised cost using the effective interest method wherever applicable.

See Note 20 - Trade Payables for further details.

Q. Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned.Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments meeting these criteria are subsequently measured at fair value with any gains or losses arising on re-measurement recognised in other comprehensive income, except for impairment gains or losses, interest gain and foreign exchange gains or losses which are recognised in the Consolidated statement of profit and loss. Interest calculated using the effective interest method is recognised in the Consolidated statement of profit and loss as investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the Consolidated statement of profit and loss as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments (other than held for trading purpose) at FVTOCI.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated in an effective hedge relationship as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Gain/ (Loss) on Equity Instruments FVTOCI'. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the 'Gain/ (Loss) on Equity Instruments FVTOCI' is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the Consolidated statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the Consolidated statement of profit and loss in investment income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in the Consolidated statement of profit and loss. Interest income from these financial assets is included in other income.

Dividend income on investments in equity instruments at FVTPL is recognised in the Consolidated statement of profit and loss in investment income when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in the Consolidated statement of profit and loss.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

For Trade Receivables and Contract Assets, the Group applies the simplified approach required by Ind AS 109, which requires expected life time losses to be recognized from initial recognition of the receivables.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Consolidated statement of profit and loss.

De-recognition of financial assets

The Group derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity or when it retains contractual rights to retain contractual cash flows from financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipient. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Consolidated statement of profit and loss.A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance is determined by using expected credit loss model ; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

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Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Group is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the Consolidated statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the Consolidated statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. 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, to the net carrying amount on initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

See Note 6A & 6B - Investments for further details.

See Note 7 - Loans for further details.

See Note 8A & 8B - Other Financial Assets for further details.

See Note 14 - Bank Balances other than Cash and Cash Equivalents for further details.

See Note 18A & 18B - Borrowings for further details.

See Note 26 - Other Income for further details.

See Note 35 - Impairment Loss/ (Reversal) on Financial Assets (Net) for further details.

See Note 45 - Financial Instruments for further details.

See Note 46 - Financial Risk Management and Derivative Financial Instruments for further details.

See Note 47 - Offsetting for further details.

R. Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with the cash flow of recognised assets or liabilities or a highly probable forecast transaction (cash flow hedge); or

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

Change in Fair value of derivatives that are not designated in any hedge relationship as mentioned above are accounted through the Consolidated Statement of Profit and Loss at each reporting date.

The Group also identifies embedded derivatives in certain transactions. These derivatives are generally segregated from the host transactions and accounted for separately. These derivatives are designated into a hedge relationship if they meet hedge accounting criteria. Change in fair value of such embedded derivatives are accounted in Other Comprehensive Income if they are designated in a cash flow hedge relationship. Fair Value change of all other embedded derivatives including those that are not designated in any hedge relationship are accounted through the Consolidated Statement of Profit and Loss.

The full fair value of a hedging derivative is classified as a Non-Current asset or liability when the residual maturity of the derivative is more than 12 months and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated statement of profit and loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the Consolidated Statement of Profit and Loss from that date except for inventory that is charged to the Consolidated Statement of Profit and Loss on sale of goods.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the Consolidated statement of profit and loss in the periods when the hedged item affects the Consolidated statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability as a basis adjustment.

If the hedge ratio for risk management purposes in no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Consolidated statement of profit and loss at the time of the hedge relationship rebalancing.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated statement of profit and loss.

See Note 46 - Financial Risk Management and Derivative Financial Instruments for further details.

S. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and in hand, short-term deposits and short term highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts which are integral part of Cash management activities. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

See Note 13 - Cash and Cash Equivalents for further details.

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T. Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group considers a period of twelve months or more as a substantial period of time. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

See Note 2 - Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress for further details.

See Note 5 - Other Intangible Assets and Intangible Assets under Development for further details.

See Note 32 - Finance Cost for further details.

U. Accounting for Government Grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the consolidated statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire Non-Current assets are recognized in the consolidated balance sheet by setting up the grant as deferred income and its amortization is recognised in 'Other Income' on straight line basis over expected useful lives of related assets.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Consolidated statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under Other Income or Other Operating Revenue in the Consolidated statement of profit and loss depending upon the nature of the underlying grant, except for grants received in the form of rebate or exemptions related to expenditures, which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Emission allowances are initially recognised as an intangible asset measured at fair value when the Group is granted the allowances and able to exercise control with a corresponding recognition of a grant at the same amount under deferred income. As carbon dioxide is emitted, the corresponding tons of emission allowances initially recognised under deferred income is reclassified and recognized in the Consolidated statement of profit and loss on a systematic basis.

Emission allowances are not amortised as their carrying value equals their residual value and therefore the depreciable basis zero, as their value is constant until delivery to the authorities. Emission allowances are subject to impairment test.

The provision for the liability to deliver allowances is recognised based on actual emission. The provision is measured at the carrying amount of allowances to the extent that the provision will be settled using allowances on hand with any excess emission being measured at the market value of the allowances at the period end. The group records the expense in the Consolidated statement of profit and loss under other expenses.

When the emission allowances for the carbon dioxide emitted are delivered to the authorities, the intangible asset as well as the corresponding provision are de-recognized from the Consolidated balance sheet without any effect on the Consolidated statement of profit and loss.

See Note 25 - Revenue from Operations for further details.

See Note 26 - Other Income for further details.

V. Employee Benefits

Retirement benefit, medical costs and termination benefits

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds having terms approximating to the terms of related obligation. In countries where there is a deep market in high-quality corporate bonds, the market rate on those bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation are used.

Re-measurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflectedin the Consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Consolidated statement of profit and loss. Past service cost is recognised in the Consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in the Consolidated statement of profit and loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit or when the entity recognises any related restructuring costs which involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

See Note 30 - Employee Benefits for further details.

W. Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of options at the grant date.

The fair value of options at the grant is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested options are forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account are credited to share capital (nominal value) and Securities Premium Account.

Share appreciation rights which are cash settled, are recognised as employee benefit expense over the relevant service period. The liability is fair valued at each reporting date and are presented as employee benefit obligations in the consolidated balance sheet.

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See Note 41 - Employee Share-Based Payments for further details.

X. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's entities operate and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. Where the local currency is not the functional currency, deferred tax is recognised on temporary difference arising from exchange rate changes between the closing rate and the historical purchase price of non-monetary assets translated at the exchange rate at the date of purchase if those non-monetary assets have tax consequences.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Generally, the group is unable to control the reversal of the temporary difference for associates.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off when they relate to income taxes levied by the same taxation authority. Current tax assets and current tax liabilities are offset where the Group has legally enforceable right and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

Current and deferred tax for the period

Current and deferred tax are recognised in the Consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of tax expense of respective group entities and are based on the most likely amount or the expected value arrived at by the Group companies which provides better prediction of the resolution of uncertainty. Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration and judicial president.

The Group considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12 Income Taxes.

See Note 9 - Income Taxes for further details.

Y. Revenue Recognition

The Group derives revenue principally from sale of hydrate, speciality alumina, aluminium and aluminium value added products, di-ammonium phosphate, copper, precious metals (gold & silver) and other materials.

The Group recognizes revenue when it satisfies a performance obligation in accordance with the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when legal title, physical possession, risk of obsolescence, loss and rewards of ownership pass to the customer and the Group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Group considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

In situations where revenue is recognized on shipment of goods, shipping and handling services are treated as a distinct separate performance obligation and the Group recognises revenue for such services when the performance obligation is completed.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, including but not limited to discounts, volume rebates etc. Transaction price excludes taxes and duties collected on behalf of the government.

For incentives offered to customers, the Group makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions from "Revenue from contracts with customers". In making these estimates, the Group considers historical results that have a predictive value of the amount that the Group expects to be entitled to for the transferred goods and services. If historical results have limited predictive value or the Group has limited experience with similar types of incentives, the estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a cost with a corresponding provision.

For certain customer contracts, final prices are determined based on the underlying market index of commodity prices at a future date, for example prices on the London Metal Exchange Limited (LME) or London Bullion Markets Association (LBMA). In such contracts, the Group records revenue on a provisional basis considering current market price when control is transferred to the customer. At the end of each period, prior to final settlement date, adjustments are made to the provisional sale price based on movements in the underlying market index of commodity prices up to the date of final price determination. Such variable price movement is accounted as other operating revenue.

Revenue from irrevocable bill and hold/ holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and usual payment terms for such contracts applies. Under these arrangements, revenue is recognised once legal title has passed and all significant risks and rewards of ownership of the asset sold are transferred to the customer.

Export incentives and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others are accounted for on acceptance basis.

Revenue excludes any taxes and duties collected on behalf of the government.

See Note 25 - Revenue from Operations for further details.

Z. Contract Liability

Contract liability is recognised when a payment for customer is already received before a related performance obligation is satisfied. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.

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As these are contracts that the Group expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred or service is provided to the customers under the agreements. The portion of the advance where either the Group does not have a unilateral right to defer settlement beyond twelve months or expects settlement within twelve months from the balance sheet date is classified as a current liability.

See Note 24 - Contract Liabilities for further details.

AA. Dividend and Interest Income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

See Note 26 - Other Income for further details.

AB. Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. The CODM assesses the financial performance and position of the Group and makes strategic decisions. Operating segments are reported in a Manner consistent with the internal reporting provided to the CODM.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers:

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items:

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

See Note 40 - Segment Information for further details.

AC. Exceptional Items

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of their size, nature and incidence.

See Note 37 - Exceptional Income/ (Expenses) (Net) for further details.

1C. Measurement of fair value

a. Financial Instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b. Marketable and non-marketable Equity Securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models.

c. Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

d. Embedded Derivatives

Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the Consolidated Balance Sheet and in the Consolidated Statement of Profit and Loss.

1D. Critical accounting judgment and key sources of estimation uncertainty

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

(a) Joint Operation

The Group invest in certain consortiums which are accounted for as joint operation. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement,which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes assets, liabilities, income and expenses in relation to its interest in a joint operation. (refer Note 48 C)

(b) Impairment of Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill is not amortized; instead, it is tested for impairment at least annually. The recoverable amount is determined based on value in use or fair value less cost to sell calculations which require the use of assumptions as directly observable market prices are generally not exist for the Group's assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential. (refer Note 4)

(c) Impairment of Non-Current Assets

Ind AS 36 requires that the Group assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include changes resulting from market and economic environment, including internal and external factors such as the Group's market capitalization, significant changes in the Group's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset group is an integral part of a value chain where no independent prices for the intermediate products exist, a group of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind-AS 36, certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Group's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal environment. The Group uses internal business plans, quoted market prices and the Group's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter.

(d) Employee retirement plans

The Group provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

The Group provides defined benefit plans to its employees. The discount rate is based on Government bond yield. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase in India. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost. (refer Note 30B)

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(e) **Environmental liabilities and Asset Retirement Obligation (ARO)**

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs. (refer Note 22)

(f) **Taxes**

The Group calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability. (refer Note 9B and 9C). For judgements related to adoption of lower tax rate as per Section 115BBA of the Income tax Act, refer note 9B(iv).

(g) **Extension and termination option in a Lease**

Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

(h) **Useful lives of depreciable/ amortisable assets (tangible and intangible)**

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

(i) **Recoverability of advances/ receivables**

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

(j) **Fair Value Measurements**

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. (refer Note 45)

(k) **Contingent Assets and Liabilities, Provisions and Uncertain Tax Positions**

There are various legal, direct and indirect tax matters and other obligations including environmental, mining, local and state levies, income tax holiday, availing input tax credits etc., which may impact the Group. Evaluation of uncertain liabilities and contingent liabilities and assets arising out of above matters require management judgment and assumptions, regarding the probability of outflow or realization of economic resources and the timing and amount, or range of amounts, that may ultimately be determined. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts, or application of relevant judicial precedents. (refer Note 9C, 22 and 43)

(l) **Inventory Measurement**

Measurement of bulk inventory quantities (such as coal, bauxite, copper concentrates, etc.) lying at yards and work in progress of precious metals at smelter and refinery is material, complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos, etc.

The Group performs physical counts of above inventory on a periodic basis using internal / external experts to perform volumetric surveys and assessments, basis which the estimate of quantity for these inventories is determined. The variations noted between book records and physical quantities of above inventories are evaluated and appropriately accounted in the books of accounts. (refer Note 11)

1E. Recent Accounting Pronouncements

(i) New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

a) On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Consolidated Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, certain specified ratios etc.

Consolidated Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

b) Extension of COVID-19 related concessions – amendments to Ind AS 116

c) Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) Amended applicable from next Financial year

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

- **Ind AS 16–Property Plant and equipment**

  The amendment clarifies that excess of net sale proceed so items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

- **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**

  The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

  Onerous Contracts (Cost of Fulfilling a Contract) - An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

  The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

  The Group has evaluated the amendment and the impact is not expected to be material.

2. Property, Plant and Equipment (including Right of Use Assets) and Capital Work-in-Progress

Refer Note 1B(D) for accounting policy on Property, Plant and Equipment

Refer Note 1B(J) for accounting policy on Impairment of Non-Current Assets (excluding Goodwill)

Refer Note 1B(M) for accounting policy on Leases

Refer Note 1B(T) for accounting policy on Borrowing cost

Summary of Property, Plant and Equipment (including Right of Use Assets) given below:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Property, Plant and Equipment - Cost	128,752	118,169
Less: Accumulated Depreciation and Impairment	(54,205)	(49,235)
Net carrying amount of Property, Plant and Equipment - (A)	**74,547**	**68,934**
Right of Use Assets - Cost	2,767	2,524
Less: Accumulated Depreciation and Impairment	(844)	(609)
Net carrying amount of Right of Use Assets - (B)	**1,923**	**1,915**
Property, Plant and Equipment (including Right of Use Assets) - (A + B)	**76,470**	**70,849**
Capital Work-in-Progress (CWIP)	**4,727**	**10,013**

A. Property, Plant and Equipment

(₹ in Crore)

Particulars	ORIGINAL COST						ACCUMULATED DEPRECIATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2021	Additions	Additions due to acquisition*	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at April 01, 2021	Depreciation	Impairment/ (Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold Land	3,138	132	42	(64)	5	3,253	167	4	-	-	6	177	3,076	2,971
Leasehold Improvements	432	37	-	-	12	481	200	33	-	-	7	240	241	232
Buildings	22,419	2,401	116	(226)	371	25,081	7,929	875	14	(172)	100	8,746	16,335	14,490
Plant and Machinery	88,002	7,318	252	(953)	889	95,508	38,428	4,290	63	(802)	368	42,347	53,161	49,574
Vehicles and Aircraft	724	93	1	(64)	8	762	445	57	-	(42)	5	465	297	279
Railway Wagons	336	20	-	-	-	356	159	20	-	-	-	179	177	177
Railway Sidings	752	21	-	-	-	773	322	43	-	-	-	365	408	430
Furniture and Fixtures	1,345	128	2	(81)	(5)	1,389	927	89	-	(75)	(9)	932	457	418
Office Equipment	1,021	134	3	(22)	13	1,149	658	104	-	(20)	12	754	395	363
Total	**118,169**	**10,284**	**416**	**(1,410)**	**1,293**	**128,752**	**49,235**	**5,515**	**77**	**(1,111)**	**489**	**54,205**	**74,547**	**68,934**

(₹ in Crore)

Particulars	ORIGINAL COST						ACCUMULATED DEPRECIATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2020	Additions	Additions due to acquisition	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at April 01, 2020	Depreci-ation	Impairment/ (Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold Land	2,738	72	276	7	45	3,138	164	4	-	3	(4)	167	2,971	2,574
Leasehold Improvements	430	3	9	(1)	(9)	432	176	27	-	(1)	(2)	200	232	254
Buildings	20,241	459	1,758	11	(50)	22,419	7,023	902	23	(6)	(13)	7,929	14,490	13,218
Plant and Machinery	82,034	2,306	4,621	(1,003)	44	88,002	35,050	4,172	48	(831)	(11)	38,428	49,574	46,984
Vehicles and Aircraft	721	35	1	(30)	(3)	724	415	56	-	(25)	(1)	445	279	306
Railway Wagons	336	-	-	-	-	336	140	19	-	-	-	159	177	196
Railway Sidings	490	7	-	255	-	752	193	28	-	101	-	322	430	297
Furniture and Fixtures	1,221	162	4	(67)	25	1,345	883	88	-	(67)	23	927	418	338
Office Equipment	727	126	206	(57)	19	1,021	585	110	-	(47)	10	658	363	142
Total	**108,938**	**3,170**	**6,875**	**(885)**	**71**	**118,169**	**44,629**	**5,406**	**71**	**(873)**	**2**	**49,235**	**68,934**	**64,309**

* Refer Note 49 - Business Combination

(a) Group's share in jointly owned assets has been grouped together with the relevant class of property, plant and equipment and Capital Work-in-Progress. The cost and net carrying amounts included in relevant class of assets are given below:

(₹ in Crore)

	31/03/2022		31/03/2021	
	Original Cost	Net Carrying Amount	Original Cost	Net Carrying Amount
Freehold Land	52	52	52	52
Buildings	54	40	50	37
Plant and Machinery	6	1	41	2
Furniture and Fixtures	27	22	14	10
Office Equipment	9	2	9	2
Capital Work-in-Progress	101	101	104	104

(b) For assets pledged and Hypothecated against borrowings, refer Note 18A.

(c) For impairment charge/(reversal), refer Note 34.

(d) For capital expenditures contracted but not incurred, refer to Note 43 (B).

(e) CWIP comprise of various routine, non-routine projects and expansion spread over across the Group.

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(f) **CWIP ageing schedule as at 31/03/2022:**

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,133	1,845	430	118	4,526
Projects temporarily suspended	1	2	21	177	201
Total	**2,134**	**1,847**	**451**	**295**	**4,727**

CWIP ageing schedule as at 31/03/2021:

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,298	3,396	434	2,730	9,858
Projects temporarily suspended	4	13	22	116	155
Total	**3,302**	**3,409**	**456**	**2,846**	**10,013**

(g) CWIP completion schedule for projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2022 are given below:

(₹ in Crore)

Projects	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Project in Progress					
Brazil plant expansion#	1,115	-	-	-	1,115
China plate expansion#	93	-	-	-	93
China cast house#	-	-	163	-	163
Installation of Desulphurization System at Hirakud Power plant#	22	-	-	-	22
Electro Static Precipitators for boilers of Renusagar Power plant#	18	-	-	-	18
Other projects$,#	76	-	-	-	76
(ii) Project temporarily suspended					
Slow cooled converter slag and part Flash Smelting Furnace slag at Dahej plant#	-	69	-	-	69
Construction of New Office Building, Mumbai#	-	-	-	73	73
Total	**1,324**	**-**	**163**	**-**	**1,487**

CWIP completion schedule for projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2021 are given below:

(₹ in Crore)

Projects	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Project in Progress					
Utkal - Brownfield Project *	1,587	-	-	-	1,587
Track Hopper at Coal Handling at Aditya plant#	-	56	-	-	56
Suspended Particulate Matter (SPM) reduction at 6 units of Electro Static Precipitators at Aditya plant#	-	18	-	-	18
Degreasing and Circle Blanking Line at Renukoot Rolled Plant#	-	82	-	-	82
New 6" Extrusion Press at Renukoot Extrusion Plant#	-	47	-	-	47
Electro Static Precipitators for boilers of Renusagar Power Plant#	-	21	-	-	21
Tertiary Water Recycling Unit at Dahej plant#	-	50	-	-	50
Aditya Birla Centre#	20	-	-	-	20
Other projects$,#	25	78	-	-	103
Slow Cooled Converter Slag And Part Fsf Slag Of 500 TPD#	-	-	68	-	68
(ii) Project temporarily suspended					
Construction of New Office Building, Mumbai#	-	-	-	73	73
Total	**1,632**	**352**	**68**	**73**	**2,125**

$ It represents the projects having budgeted capital expenditure amount below ₹ 10 crore.
* represents project with cost overrun
# represents delayed project

(h) The Group has tested the carrying value of CWIP for impairment as at reporting date and recorded an impairment charge of ₹ 19 crore (31/03/2021 ₹ 5 crore). refer Note 34.

(i) Useful life of items of Property, Plant and Equipment is given below:

Items of Property, Plant and Equipment	Useful life (Years)
Freehold Land	Infinite$
Leasehold Improvements	7 - 90
Buildings	3 - 60
Plant and Machinery	2 - 40
Vehicles and Aircraft	2 - 25
Railway Wagons	15
Railway Sidings	15
Furniture and Fixtures	3 - 10
Office Equipment	2 - 25

$Freehold land used for mining is depreciated over 8 - 30 years.

(j) The Property, Plant and Equipment residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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B. Right of Use Assets

The Group leases many assets including Land, Buildings, Stadium Suite, Plant and Machinery, Vehicles, Aircraft, Boats, Railway wagons, Railway sidings and furniture. These right of use assets are presented as part of 'Property, plant and equipment' under non-current assets on the face of the consolidated balance sheet.

(₹ in Crore)

Particulars	ORIGINAL COST						ACCUMULATED DEPRECIATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2021	Additions	Additions due to acquisition	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at April 01, 2021	Depre-ci-ation	Impairment/ (Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Leasehold Land	1,146	57	-	(40)	18	1,181	74	46	-	(22)	2	100	1,081	1,072
Buildings	535	112	-	(22)	17	642	165	109	-	(20)	8	262	380	370
Stadium Suite	41	-	-	-	2	43	9	4	-	-	(1)	12	31	32
Plant and Machinery	208	63	-	(69)	2	204	115	37	-	(45)	7	114	90	93
Vehicles and Aircraft	279	174	-	(30)	(2)	421	107	95	-	(9)	(2)	191	230	172
Boats	59	-	-	-	-	59	22	12	-	-	-	34	25	37
Railway Wagons	176	1	-	(39)	(3)	135	74	24	-	(25)	-	73	62	102
Railway Sidings	2	-	-	-	-	2	-	-	-	-	-	-	2	2
Waterfront	1	-	-	-	-	1	-	-	-	-	-	-	1	1
Furniture and Fixtures	36	-	-	(3)	-	33	22	7	-	(3)	-	26	7	14
Office Equipment	41	5	-	(2)	2	46	21	11	-	(1)	1	32	14	20
Total	**2,524**	**412**	**-**	**(205)**	**36**	**2,767**	**609**	**345**	**-**	**(125)**	**15**	**844**	**1,923**	**1,915**

(₹ in Crore)

Particulars	ORIGINAL COST						ACCUMULATED DEPRECIATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2020	Additions	Additions due to acquisition	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at April 01, 2020	Depreciation	Impairment/ (Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Leasehold Land	1,031	5	98	6	6	1,146	28	39	-	6	1	74	1,072	1,003
Buildings	425	227	69	(174)	(12)	535	80	129	-	(42)	(2)	165	370	345
Stadium Suite	21	21	-	-	(1)	41	3	2	-	4	-	9	32	18
Plant and Machinery	132	37	43	(13)	9	208	90	30	-	(5)	-	115	93	42
Vehicles and Aircraft	197	131	10	(62)	3	279	69	87	-	(50)	1	107	172	128
Boats	59	-	-	-	-	59	10	12	-	-	-	22	37	49
Railway Wagons	171	-	-	-	5	176	35	38	-	-	1	74	102	136
Railway Sidings	21	-	-	(19)	-	2	9	-	-	(9)	-	-	2	12
Waterfront	1	-	-	-	-	1	-	-	-	-	-	-	1	1
Furniture and Fixtures	42	-	-	(7)	1	36	22	7	-	(7)	-	22	14	20
Office Equipment	9	30	7	(4)	(1)	41	5	18	-	(2)	-	21	20	4
Total	**2,109**	**451**	**227**	**(273)**	**10**	**2,524**	**351**	**362**	**-**	**(105)**	**1**	**609**	**1,915**	**1,758**

(a) Disposal/ Adjustments for the lease hold land includes ₹ 21 crore (31/03/2021: ₹ 35 crore) transferred from right of use assets to mining rights under intangible assets, refer Note 5.

C. Lease Liabilities recognised against Right of Use Assets are as follows:

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Lease Liabilities against Right of Use Assets	972	279	928	300
	972	**279**	**928**	**300**

3. Investment Property

Refer Note 1B(E) for accounting policy on Investment Property

Refer Note 1B(J) for accounting policy on Impairment of Non-Current Assets (excluding Goodwill)

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Cost	34	34
Less: Accumulated Depreciation and Impairment	(13)	(13)
Net Carrying amount	**21**	21

(₹ in Crore)

Particulars	ORIGINAL COST					ACCUMULATED DEPRECIATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2021	Additions	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at April 01, 2021	Depreciation	Impairment/ (Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold Land	1	-	-	-	1	-	-	-	-	-	-	1	1
Buildings	33	-	1	-	34	13	1	-	-	-	14	20	20
Total	**34**	**-**	**1**	**-**	**35**	**13**	**1**	**-**	**-**	**-**	**14**	**21**	**21**

(₹ in Crore)

Particulars	ORIGINAL COST					ACCUMULATED DEPRECIATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2020	Additions	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at April 01, 2020	Depreciation	Impairment/ (Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold Land	1	-	-	-	1	-	-	-	-	-	-	1	1
Buildings	33	-	-	-	33	12	1	-	-	-	13	20	21
Total	**34**	**-**	**-**	**-**	**34**	**12**	**1**	**-**	**-**	**-**	**13**	**21**	**22**

(a) Amount recognised in profit and loss for Investment Properties are as under:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Rental Income	6	6
Direct operating expenses (including repair and maintenance) on properties generating rental income	-	(1)

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(b) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. There are no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal on the Group.

(c) The fair value of the Group's investment properties as at 31/03/2022 and 31/03/2021 have been arrived on the basis of valuation carried out at the respective dates by an external, independent valuer. Independent valuer who arrived at fair value as at 31/03/2022 is registered under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017. However values as at 31/03/2021 were done by an independent valuer who was not registered as per the above mentioned rule.

(d) The fair value measurement for all the investments properties has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

Fair value of investment properties and their fair value hierarchy given below:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
	Level 2	Level 2
Freehold land	4	3
Buildings	100	96

(e) Useful life of items of Investment Property is given below:

Items of Investment Property	Useful life (Years)
Freehold Land	Infinite
Buildings	60 Years

(f) Certain Investment Properties are given as security towards Non-Convertible debentures of ₹ 6,000 crore (gross) (31/03/2021: ₹ 6,000 crore), refer Note 18A (a).

4. Goodwill

Refer Note 1B(I) for accounting policy on Goodwill

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Cost	23,965	23,317
Less: Accumulated Impairment	-	-
Net Carrying amount	**23,965**	**23,317**

(₹ in Crore)

	Cost	Accumulated Impairment	Net carrying amount
Balance as at April 01, 2020	20,098	-	20,098
Addition through business combination	3,562	-	3,562
Exchange differences	(343)	-	(343)
Balance as at March 31, 2021	**23,317**	**-**	**23,317**
Addition through business combination - (refer Note 49)	67	-	67
Exchange differences	581	-	581
Balance as at March 31, 2022	**23,965**	**-**	**23,965**

(a) **Impairment testing of Goodwill**

Goodwill acquired in business combinations has been allocated to following cash generating units (CGU) of Novelis, Aluminium and Copper segment.

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Novelis segment		
Novelis - North America	10,949	10,549
Novelis - Europe	8,281	8,237
Novelis - South America	2,778	2,677
Novelis - Asia	1,780	1,744
Aluminium segment		
Utkal Alumina International Limited (Utkal)	110	110
Minerals and Minerals Limited (M&M)	*	*
Kuppam - (refer Note 49)	4	-
Copper segment		
Birla Copper Asoj Private Limited - (refer Note 49)	63	-
	23,965	**23,317**

* it represents Goodwill on acquisition of M&M ₹ 0.12 crore.

Goodwill is not amortized, instead, it is tested for impairment annually or more frequently if indicators of impairment exist. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use or fair value less cost to sell calculations which require the use of certain assumptions. The calculations use cash flow projections based on financial budgets approved by management covering three to five years period depending upon segment/ CGU's financial budgeting process. Cash flow beyond these financial budget period are extrapolated using the estimated growth rates.

The key assumptions used in the estimation of the recoverable amount of CGU's are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and economic environment and have been based on historical data from both external and internal sources.

	Novelis segment		Aluminium segment		Copper segment	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Discount rate (i)	8.93%	8.82%	13.20%	13.20%	12.00%	NA
Terminal growth rate (ii)	2.25%	2.25%	4.50%	4.50%	2.00%	NA
EV/EBITDA multiple in times (in Novelis segment)	5.5 to 10.5	7 to 13.5	-	-	-	NA

i. **For Novelis segment**, the estimate of fair value (Level 3) less cost to sell for each cash generating unit is based on average of discounted cash flows (the income approach) and guideline public company method which considers enterprise Value ("EV")/EBITDA multiples of comparable companies adjusted with control premium (the market approach).

Under the income approach, the fair value of each cash generating unit is based on the present value of estimated future cash flows. The income approach is dependent on a number of significant management assumptions including markets and market share, sales volumes and prices, costs to produce, capital spending, working capital changes and the discount rate. These projected cash flows are discounted to the present value using a weighted average cost of capital (discount rate). The discount rate is commensurate with the risk inherent in the projected cash flows and reflects the rate of return required by an investor in the current economic conditions. The projections are based

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on both past performance and the expectations of future performance and assumptions used in Novelis's current operating plan.

The Group uses the trailing and forward EV/EBITDA multiples. EV is defined as the total of equity capital plus debt capital. The trailing multiples have been based on the EBITDA of the trailing twelve months preceding the valuation date and the forward multiples have been based on the one-year and two-year forward consensus analyst EBITDA estimates as on the valuation date and has been adjusted for control premium.

For Aluminium and Copper segment, the recoverable amount is determined based on value in use and the projected cash flows are discounted to the present value using pre-tax weighted average cost of capital (discount rate). The discount rate commensurate with the risk inherent in the projected cash flows and reflects the rate of return required by an investor in the current economic conditions.

The Group assessed the impact of change in key assumption related to Aluminium and Copper segments and did not notice any material change in its recoverable value and thereby has concluded that the change will not cause recoverable value fall below its carrying value.

ii. The Group use's specific revenue growth assumptions for each cash generating unit based on history and economic conditions.

As a result of goodwill impairment test for the year ended 31/03/2022 and year ended 31/03/2021, no goodwill impairment was identified as the recoverable value of the CGUs to whom goodwill was allocated exceeded their respective carrying amounts at all the periods reported above.

(b) **Impact of possible changes in key assumptions**

Goodwill in the Consolidated Financial Statements primarily consists of goodwill in Novelis segment, wherein goodwill has been allocated in four CGUs. The recoverable amount of each of these four CGUs would equal its carrying amount if the key assumptions were to change as follows:

	As at			
	31/03/2022		31/03/2021	
	From	To	From	To
i. Long-term growth rate (%)				
Novelis - North America	2.25%	**	2.25%	**
Novelis - Europe	2.25%	**	2.25%	**
Novelis - South America	2.25%	**	2.25%	**
Novelis - Asia	2.25%	**	2.25%	**
ii. Post-tax discount rate (%)				
Novelis - North America	8.93%	**	8.82%	**
Novelis - Europe	8.93%	**	8.82%	**
Novelis - South America	8.93%	**	8.82%	**
Novelis - Asia	8.93%	**	8.82%	**
iii. EV/EBITDA multiple (in times)				
Novelis - North America	5.5 - 7.5	**	7 - 10.5	**
Novelis - Europe	7.5 - 10.5	**	8.5 - 13.5	**
Novelis - South America	7.5 - 10.5	**	7 - 10.5	**
Novelis - Asia	5.5 - 7.5	**	8.5 - 13.5	**

** Management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount to fall below the carrying value of any of the CGU having allocated goodwill.

5. Other Intangible Assets and Intangible Assets under Development

Refer Note 1B(F) for accounting policy on Intangible Assets (Other than goodwill)
Refer Note 1B(G) for accounting policy on Stripping cost
Refer Note 1B(J) for accounting policy on Impairment of Non-Current Assets (excluding Goodwill)
Refer Note 1B(T) for accounting policy on Borrowing cost

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Cost	14,392	13,008
Less: Accumulated Amortisation and Impairment	(7,974)	(6,926)
Net Carrying amount	**6,418**	**6,082**
Intangible Assets under Development (IAUD)	**218**	**189**

(₹ in Crore)

Particulars	ORIGINAL COST						ACCUMULATED AMORTISATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2021	Additions	Additions due to acquisition*	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at April 01, 2021	Amortisation	Impairment/ (Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Mining Rights	803	87	-	(27)	1	864	406	89	-	(37)	1	459	405	397
Trade Name	1,138	-	-	-	42	1,180	777	82	-	-	30	889	291	361
Technology and Software	4,295	300	9	(4)	103	4,703	3,332	406	-	(4)	110	3,844	859	963
Customer related Intangible Assets	6,275	4	15	-	205	6,499	2,411	295	-	-	76	2,782	3,717	3,864
Favourable Contracts	-	-	6	-	-	6	-	-	-	-	-	-	6	-
Carbon Emission Rights	497	833	-	(220)	30	1,140	-	-	-	-	-	-	1,140	497
Total	**13,008**	**1,224**	**30**	**(251)**	**381**	**14,392**	**6,926**	**872**	**-**	**(41)**	**217**	**7,974**	**6,418**	**6,082**

(₹ in Crore)

Particulars	ORIGINAL COST						ACCUMULATED AMORTISATION AND IMPAIRMENT						NET CARRYING AMOUNT	
	As at April 01, 2020	Additions	Additions due toacquisition	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at April 01, 2020	Amortisation	Impairment/(Reversal)	Disposal/ Adjustments	Exchange differences	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Mining Rights	715	59	-	31	(2)	803	321	45	44	-	(4)	406	397	394
Trade Name	1,100	-	73	-	(35)	1,138	717	81	-	-	(21)	777	361	383
Technology and Software	3,747	123	401	-	24	4,295	2,953	449	-	-	(70)	3,332	963	794
Customer related Intangible Assets	3,358	-	3,066	-	(149)	6,275	2,156	291	-	-	(36)	2,411	3,864	1,202
Carbon Emission Rights	235	268	18	(13)	(11)	497	-	-	-	-	-	-	497	235
Total	**9,155**	**450**	**3,558**	**18**	**(173)**	**13,008**	**6,147**	**866**	**44**	**-**	**(131)**	**6,926**	**6,082**	**3,008**

* Refer Note 49 - Business Combination

(a) Addition in Mining Rights includes ₹ 57 crore (31/03/2021: ₹ 44 crore) and amortization expense includes ₹ 76 crore (31/03/2021: ₹ 20 crore) towards stripping activity assets.

(b) The Carrying Amount of Intangible Asset under Development includes ₹ 8 crore (31/03/2021: ₹ 116 crore) pertaining to Enterprise Resource Planning System implementation in India. During the current year, the Company has capitalised its Enterprise Resource Planning System.

(c) Carbon emission credits are recognised at fair value upon receipt of government grants for operations in Europe and Asia, which becomes their cost basis.

(d) **Intangible asset under development (IAUD) ageing schedule as at 31/03/2022:**

(₹ in Crore)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	191	25	2	-	218
Projects temporarily suspended	-	-	-	-	-
Total	**191**	**25**	**2**	**-**	**218**

Intangible asset under development (IAUD) ageing schedule as at 31/03/2021:

(₹ in Crore)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	103	50	36	-	189
Projects temporarily suspended	-	-	-	-	-
Total	**103**	**50**	**36**	**-**	**189**

(e) There are no projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2022.

Completion schedule for projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2021 are given below:

(₹ in Crore)

Project name	Suspended Project Details (Yes/No)	To be completed in			
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Enterprise Resource Planning System (Project Ekayaan) *	No	116	-	-	-
Total		116	-	-	-

* Project is presented due to time overrun. There is no cost overrun in above project.

(f) The Group has tested the carrying value of Intangible Asset under Development for impairment as at reporting dates and no impairment charge has been identified on the same.

(g) For impairment charges or reversal on above Intangible assets, refer Note 34.

(h) Useful life of items of Intangible Assets and their remaining useful lives are given below:

Items of Intangible Assets	Useful life (Years)	Remaining useful life (Years)
Trade Name	3 - 20	0 - 17
Technology and Software	3 - 10	0 - 8
Customer related Intangible Assets	20 - 22.3	20
Mining Rights	8 - 41	4 - 34
Favourable Contracts	3	3

(i) For Guarantee, assets pledged and Hypothecated against borrowings, refer Note 18A.

(j) The useful life of intangible assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

(k) All Computer Software items in Intangible Assets (except of Mahan Aluminium, Aditya Aluminium, Kalwa Plant of the Company) are also given as security towards Non-convertible debentures of ₹ 6,000 crore (as at 31/03/2021: ₹ 6,000 crore). Refer note - 18A (a).

6A. Investments, Non-Current

(Fully paid-up unless otherwise stated)

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

Equity Instruments at FVTOCI- (a)	Face value	Numbers as at		Value as at	
Quoted	per Unit	31/03/2022	31/03/2021	31/03/2022	31/03/2021
National Aluminium Company Limited	₹ 5	-	29,233,228	-	158
Grasim Industries Limited	₹ 2	28,464,653	28,464,653	4,736	4,129
Ultra Tech Cement Limited	₹ 10	1,258,515	1,258,515	831	848
Vodafone Idea Limited	₹ 10	751,119,164	751,119,164	725	695
Aditya Birla Fashion and Retail Limited	₹ 10	50,239,794	44,982,142	1,518	905
Aditya Birla Fashion and Retail Limited (Partly paid up) - (b)	₹ 7.50	-	5,257,652	-	89
Gujarat Narmada Valley Fertilizers & Chemicals Limited	₹ 10	100	100	-	-
Gujarat State Fertilizers & Chemicals Limited	₹ 2	500	500	-	-
Southern Petrochemical Industries Limited	₹ 10	100	100	-	-
Madras Fertilizer Limited	₹ 10	100	100	-	-
Rashtriya Chemicals and Fertilizers Limited	₹ 10	100	100	-	-
Aditya Birla Capital Limited	₹ 10	39,850,514	39,850,514	429	475
				8,239	**7,299**
Unquoted					
Sai Wardha Power Generation Limited	₹ 10	2,830,352	2,830,352	-	-
Birla International Limited	CHF 100	2,500	2,500	5	5
Bharuch-Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	10	15
Birla Management Centre Services Limited	₹ 10	9,500	9,500	11	10
Saras Micro Devices Inc. - (f)	USD 13.33	100,000	-	10	-
Addionics Limited	USD 9.25	162,246	-	12	-
				48	**30**
Debt Instruments at FVTOCI- (a)					
Quoted					
Government Securities- (c)					
6.83% Government of India Bond, 2039		2,000,000	2,000,000	20	20
6.57% Government of India Bond, 2033		5,000,000	5,000,000	48	50
6.45% Government of India Bond, 2029		5,000,000	5,000,000	49	50
5.79% Government of India Bond, 2030		10,000,000	10,000,000	94	96
6.19% Government of India Bond, 2034		10,000,000	10,000,000	92	96
				303	**312**

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Debt Instruments at FVTPL- (a)	Face value	Numbers as at		Value as at	
Unquoted	per Unit	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Preference Shares					
Aditya Birla Health Services Limited - 7% Redeemable, Non Cumulative - (d)	₹ 100	2,500,000	2,500,000	24	25
Birla Management Centre Services Limited - 9% Redeemable Cumulative - (e)	₹ 10	-	300	-	-
				24	25
Unquoted					
Mutual Funds					
Investments in Debt Schemes of Mutual Funds				2	4
				2	4
				377	371
				8,616	**7,670**

(a) Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investmentsare given below:

Aggregate Cost of Quoted Investments			2,990	3,014
Aggregate Market value of Quoted Investments			8,542	7,611
Aggregate Cost of Unquoted Investments			75	53
Aggregate amount of impairment in value of investments			3	3
Aggregate Carrying value of Quoted and Unquoted Investments			8,616	7,670

(b) During the previous year, the Group had subscribed to the Rights issue of Aditya Birla Fashion & Retail Limited at ₹ 110 per share (Face value of ₹ 10 and Premium of ₹ 100). The Group had invested ₹ 43 crore (52,57,652 shares at ₹ 82.50 per share) in previous year and Final call of ₹ 14 crore (52,57,652 shares at ₹ 27.50 per share) has been paid during the current year.

(c) Includes ₹ 25 crore (31/03/2021: ₹ 242 crore) being placed as margin money with counter parties for derivative transactions.

(d) These are Non Cumulative, Non Convertible Preference Shares and Redeemable within 15 years from the allotment date i.e. March 29, 2019.

(e) These preference shares are redeemed during current year.

(f) During the year ended March 31, 2022, Novelis sold 90% of equity ownership in Saras Micro Devices Inc. ('Saras'). The Group currently owns 100,000 shares amounting to ₹ 10 crore (USD 1.33 million) (Refer Note 51).

6B. Investments, Current

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

	Face value	Numbers as at		Value as at	
	per Unit	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Quoted- (a)					
Investments in Equity Instruments at FVTOCI					
National Aluminium Company Limited (Fully paid-up)	₹ 5	-	18,385,327	-	99
Investment in Government Securities at FVTOCI - (b), (c)				72	73
Investment in Debentures and Bonds at FVTPL - (b), (c)				152	164
Investment in Debt Schemes of Mutual Funds at FVTPL - (b)				5,228	9,081
				5,452	**9,417**

(a) Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted investmentsare given below:

Aggregate cost of Quoted Investments			5,302	9,232
Aggregate Market value of Quoted Investments			5,452	9,417
Aggregate Cost of Unquoted Investments			-	-
Aggregate Carrying value of Quoted and Unquoted Investments			5,452	9,417

(b) Investment in Debt Schemes of Mutual Funds includes ₹ 320 crore (31/03/2021: Investment in Government Securities ₹ 25 crore) being placed as margin money with counter parties for derivative transactions.

(c) Details of each of the category of investment mentioned above are available in separate financial statements of respective Group entities.

7. Loans

(Unsecured, Considered Good unless otherwise stated)

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Loan to Related Parties - (a) - (refer Note 42)	36	-	-	41
Loan to Employees	13	7	10	6
Loan to Others	1	-	2	-
	50	**7**	12	47

(a) Disclosure on Loans or Advances in the nature of loans granted to promoters, directors, Key Managerial Personnel (KMPs) and the related parties, that are repayable on demand are as follows:

Type of Borrower#	Amount of loan or advance in the nature of loan outstanding		% to the total Loans and Advances in the nature of loans	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties:				
Aditya Birla Science & Technology Company Private Limited *	-	41	-	69%

* There is no outstanding loan as at 31/03/2022 which is repayable on demand.

#During the current and previous year there are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties, that are without specifying any terms or period of repayment.

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8A. Other Financial Assets, Non-Current
(Unsecured, Considered Good unless otherwise stated)

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Contingent Consideration (measured at fair value through profit and loss) - (refer Note 50)	381	819
Security Deposits - (a), (b)	132	152
Earmarked balances with Banks - (c)	148	142
Deposit with Others - (a)	27	11
Deposit with Non-Banking Financial Company with initial maturity more than 12 months	60	-
Other Receivables - (d)	38	23
	786	**1,147**

(a) Refer Note 42 for balances with related parties.

(b) Includes Security Deposit pledged of ₹ 4 crore (31/03/2021: ₹ 4 crore).

(c) Earmarked balances includes balance in escrow accounts/ under lien with various authorities for the Company and deposits for employee benefits related to Novelis.

(d) Include ₹ 23 crore ($ 3 million) of promissory note entered into upon sale of Saras (refer Note 51).

8B. Other Financial Assets, Current
(Unsecured, Considered Good unless otherwise stated)

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Derivative matured pending realisation	622	306
Security Deposits - (a)	53	24
Deposits with Non Banking Financial Company with initial maturity more than 3 months	915	150
Accrued Interest	57	34
Other Receivables - (a), (b)		
Unsecured, Considered Good	484	697
Unsecured, Considered Doubtful	2	12
Less : Allowance for Doubtful amount	(2)	(12)
	2,131	**1,211**

(a) Refer Note 42 for balances with related parties.

(b) Include ₹ 23 crore ($ 3 million) of consideration receivable on sale of Saras (Refer Note 51)

9. Income Taxes
Refer Note 1B(X) for accounting policy on Income Taxes

A. Current Tax and Deferred Tax Expense

The Group's income tax expenses and effective tax rate reconciliation given below:

(a) Amount recognised in Statement of Profit and Loss

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Current Tax		
Current Tax Expenses for the year	3,802	1,868
Adjustments for current tax of prior periods (Net)	(1)	13
	3,801	**1,881**
Deferred Tax		
Deferred Income Tax Expenses - (ii)	1,473	1,291
MAT Credit Entitlement	99	(449)
	1,572	**842**
Income Tax Expenses related to Continuing operations	5,373	2,723
Income Tax Expenses related to Discontinued Operations	7	(367)
Total Income Tax Expenses	**5,380**	**2,356**

i. Applicable Indian Statutory Income Tax rate for the year ended March 31, 2022 and March 31, 2021 is 34.944% and 34.944%, respectively.

ii. MAT Credit entitlement includes ₹ 298 crore (31/03/2021: ₹ 165 crore) pertaining to Utkal Alumina International Limited.

(b) Reconciliation of Effective Tax Rate

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Indian Statutory Income Tax Rate (%)	34.944%	34.944%
Tax expenses using the Company's domestic tax rate	6,678	2,040
Tax effect of adjustments to reconcile reported income tax expense:		
Tax credits and other concessions	(341)	(173)
Income exempt from tax	(152)	(152)
Expenses not deductible in determining taxable profit	290	199
Tax on income (domestic and foreign) at rates different from statutory income tax rate	(404)	76
Adjustments pertaining to prior years	(26)	31
Previously unrecognised tax loss, tax credit or temporary difference of a prior period	(403)	-
Uncertain tax positions	49	32
Tax on Undistributed Earnings	(5)	(1)
Deferred tax not recognised on carry forward losses and benefits	(90)	169
Foreign exchange translation & remeasurement	(264)	72
Others	48	63
Total Tax expenses recognised in the Consolidated Statement of Profit and Loss	**5,380**	**2,356**

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B. Deferred Tax Assets and Liabilities

i. Deferred Tax Assets (Net)

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Deferred Tax Assets	1,691	1,285
Deferred Tax Liabilities	(484)	(361)
	1,207	**924**

Major components of Deferred Tax Assets (Net) arising on account of temporary timing differences and movement thereof are given below:

(₹ in Crore)

	As at April 01, 2021	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	Reclass (DTL/DTA)	As at March 31, 2022
Deferred Tax Assets							
Provisions deductible for tax purposes in future period	722	9	(131)	-	51	-	651
PP&E Depreciation and Intangible Amortisation	80	(23)	-	-	13	-	70
Tax (losses)/benefits carry forwards, net #	311	365	-	-	36	-	712
Inventory valuation reserves	52	57	-	-	-	-	109
Fair value measurements of financial instruments	6	-	-	-	(1)	(5)	-
Trade name	114	30	-	-	5	-	149
Others	-	-	-	-	-	-	-
	1,285	**438**	**(131)**	**-**	**104**	**(5)**	**1,691**
Deferred Tax Liabilities							
PP&E Depreciation and Intangible Amortisation	308	100	-	-	12	-	420
Inventory valuation reserves	-	-	-	-	-	-	-
Cash Flow Hedges	4	-	7	-	-	-	11
Others	49	(4)	-	-	8	-	53
	361	**96**	**7**	**-**	**20**	**-**	**484**
Net Deferred Tax Assets	**924**	**342**	**(138)**	**-**	**84**	**(5)**	**1,207**

(₹ in Crore)

	As at April 01, 2020	Additions due to Acquisition	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	As at March 31, 2021
Deferred Tax Assets							
Provisions deductible for tax purposes in future period	1,276	2	(492)	(35)	2	(31)	722
PP&E Depreciation and Intangible Amortisation	77	-	27	-	-	(24)	80
Tax (losses)/benefits carry forwards, net #	235	3	131	-	-	(58)	311
Inventory valuation reserves	18	-	34	-	-	-	52
Cash Flow Hedges	3	-	(3)	-	-	-	-
Fair value measurements of financial instruments	16	-	-	(10)	-	-	6
Trade name	109	-	8	-	-	(3)	114
Others	38	-	(38)	-	-	-	-
	1,772	**5**	**(333)**	**(45)**	**2**	**(116)**	**1,285**
Deferred Tax Liabilities							
PP&E Depreciation and Intangible Amortisation	613	-	(288)	-	-	(17)	308
Inventory valuation reserves	146	-	(144)	-	-	(2)	-
Cash Flow Hedges	-	-	4	-	-	-	4
Others	163	-	(104)	-	-	(10)	49
	922	**-**	**(532)**	**-**	**-**	**(29)**	**361**
Net Deferred Tax Assets	**850**	**5**	**199**	**(45)**	**2**	**(87)**	**924**

Tax Losses/Benefits carry forwards represents deferred income tax asset on unabsorbed depreciation carried forward under tax laws for which there is no expiry period.

ii. Deferred Tax Liabilities (Net)

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Deferred Tax Liabilities	15,590	14,039
Deferred Tax Assets	(9,959)	(9,509)
	5,631	**4,530**

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Major components of Deferred Tax Liabilities (Net) arising on account of temporary timing differences and movement therein are given below:

(₹ in Crore)

	As at April 01, 2021	Additions due to Acquisition	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	Reclass (DTL/DTA)	As at March 31, 2022
Deferred Tax Liabilities								
PP&E Depreciation and Intangible Amortisation	11,860	23	220	-	-	218	-	12,321
Inventory Valuation Reserves	443	-	1,066	-	-	35	-	1,544
Exchange Differences on Foreign Operations	1,259	-	(354)	-	-	42	-	947
Fair value measurements of financial instruments	45	-	3	240	-	-	(5)	283
Deferred tax on Undistributed earnings	23	-	(5)	-	-	-	-	18
Cash Flow Hedges	3	-	-	-	-	(2)	-	1
Others	406	(3)	46	-	-	27	-	476
	14,039	**20**	**976**	**240**	**-**	**320**	**(5)**	**15,590**
Deferred Tax Assets								
Tax (losses)/benefits carry forwards, net #	2,707	-	(943)	-	-	62	-	1,826
Retirement Benefits and Compensated Absences	74	-	(13)	3	-	(1)	-	63
Cash Flow Hedges	691	-	-	1,436	(73)	11	-	2,065
Provisions deductible for tax purposes in future period	2,653	-	94	(161)	-	120	-	2,706
MAT Credit entitlement	3,093	-	(99)	-	-	-	-	2,994
PP&E Depreciation and Intangible Amortisation	-	-	2	-	-	-	-	2
Others	291	-	14	(5)	-	3	-	303
	9,509	**-**	**(945)**	**1,273**	**(73)**	**195**	**-**	**9,959**
Net Deferred Tax Liabilities	**4,530**	**20**	**1,921**	**(1,033)**	**73**	**125**	**(5)**	**5,631**

(₹ in Crore)

	As at April 01, 2020	Additions due to Acquisition	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognised directly in Equity	Exchange Differences	Reclass (DTL/DTA)	As at March 31, 2021
Deferred Tax Liabilities								
PP&E Depreciation and Intangible Amortisation	9,812	1,709	511	-	-	(172)	-	11,860
Inventory Valuation Reserves	434	(44)	58	-	-	(5)	-	443
Exchange Differences on Foreign Operations	1,283	-	14	-	-	(38)	-	1,259
Fair value measurements of financial instruments	140	-	(92)	(3)	-	-	-	45
Deferred tax on Undistributed earnings	23	-	-	-	-	-	-	23
Cash Flow Hedges	117	-	-	(114)	-	-	-	3
Others	157	30	217	-	-	2	-	406
	11,966	**1,695**	**708**	**(117)**	**-**	**(213)**	**-**	**14,039**
Deferred Tax Assets								
Tax (losses)/benefits carry forwards, net #	2,510	1,154	(913)	-	-	(44)	-	2,707
Retirement Benefits and Compensated Absences	104	-	(11)	(19)	-	-	-	74
Cash Flow Hedges	229	-	-	453	17	(8)	-	691
Provisions deductible for tax purposes in future period	1,600	920	459	(262)	-	(64)	-	2,653
MAT Credit entitlement	2,644	-	449	-	-	-	-	3,093
PP&E Depreciation and Intangible Amortisation	-	-	-	-	-	-	-	-
Others	266	-	22	-	-	3	-	291
	7,353	**2,074**	**6**	**172**	**17**	**(113)**	**-**	**9,509**
Net Deferred Tax Liabilities	**4,613**	**(379)**	**702**	**(289)**	**(17)**	**(100)**	**-**	**4,530**

Tax Losses/Benefits carry forwards represents deferred income tax asset on unabsorbed depreciation carried forward under tax laws for which there is no expiry period.

Net deferred tax liability incudes ₹ 544 crore (31/03/2021: ₹ 239 crore) pertaining to Utkal Alumina International Limited including MAT Credit entitlement of ₹ 954 crore (31/03/2021: ₹ 656 crore).

iii. Unrecognised Deferred Taxes

(₹ in Crore)

		As at	
		31/03/2022	**31/03/2021**
(a)	Cumulative earnings in respect of certain Group entities for which the Group has not provided deferred tax liability. The Group believe that the reversal of such temporary difference is not probable in the foreseeable future.	34,352	31,544
(b)	The following Deferred Tax Assets have not been recognised at the reporting date as it is not probable of recovery.		
	Un-expiring		
	i. Unabsorbed Depreciation and other expenses not deductible for tax	780	797
	ii. Tax losses carry forwards	181	127
	iii. Unused tax credits	582	547
	Expiring		
	i. Carried forward Tax losses	13,671	14,454
	Period of expiry	FY 2023-43	FY 2022-41
	ii. Unused tax credits	355	413
	Period of expiry	FY 2023-33	FY 2022-33
	iii. Long term capital loss carry forward	964	995
	Period of expiry	FY 2023-25	FY 2022-25
	iv. Unabsorbed Depreciation and other expenses not deductible for tax	-	8
	Period of expiry	-	FY 2029

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The Group has not recognised deferred tax asset in respect of deductible temporary differences related to its equity investments measured at FVTOCI as presently it is not probable that future taxable long term capital gain will be available in the foreseeable future to recover such deferred tax assets.

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority. The Group has not recognised deferred tax on temporary differences relating to depreciation which originate andreverse during the tax holiday period.

iv. During current year, after considering all available evidence, the Group recognised deferred tax assets in Novelis Inc., Canada, resulting in a total benefit of ₹ 554 crore ($ 73 million). Out of this, ₹ 403 crore ($ 54 million) is related to forecasted net operating losses utilization in future periods and is broken out separately in the reconciliation of effective tax rate. Positive evidence for Novelis Inc. included a recent history of its three-year cumulative earnings as at March 31, 2022 and its forecasted taxable earnings, as a result of a decrease in its external interest expense, an increase in its interest income from intercompany indebtedness, and patent fees through 2031. Negative evidence included its overall size and history of recurring losses. After weighing the available evidence, the Group determined it is probable that taxable profits will be available in Novelis Inc. to utilize a portion of the Canadian net operating losses.

v. **Tax Uncertainties:**

As of March 31, 2022 and March 31, 2021 the total amount of unrecognized benefits in Novelis that, if recognized, would affect the effective income tax rate in future periods based on anticipated settlement dates is ₹ 541 crore (USD 71 million) and ₹ 501 crore (USD 69 million), respectively.

Tax authorities continue to examine certain other tax filings of Novelis for financial years 2005 through 2019. As a result of further settlement of audits, judicial decisions, the filing of amended tax returns or the expiration of statutes of limitations, Novelis' reserves for unrecognized tax benefits, as well as its reserves for interest and penalties, are not expected to decrease in the next 12 months. With few exceptions, tax returns for all jurisdictions for all tax years before 2005 are no longer subject to examination by taxing authorities.

As of March 31, 2022 and March 31, 2021, Novelis had ₹ 73 crore ($ 10 million) and ₹ 81 crore ($ 11 million) accrued, respectively, for interest and penalties. For the years ended March 31, 2022 and 2021 Novelis recognized interest and penalties expense(benefit) of ₹ (12) crore ($ -2 million) and interest and penalties expense of ₹ 16 crore (approximately $ 2 million).

vi. The Taxation Law (Amendments) Ordinance 2019 ('the Ordinance'), in India provides an option to domestic companies to pay income-tax at a lower rate of 22% (plus applicable surcharge and cess) instead of the normal rate of 30% (plus applicable surcharge and cess) depending on the conditions specified in this behalf under section 115BBA of the Income Tax Act, 1961. A domestic company can avail of the lower tax rate only if it opts for not availing of certain exemptions or incentives specified in this behalf in the Ordinance. There is no time limit prescribed under the above to choose the option of lower tax rate under section 115BAA, however, once chosen it is irreversible.

The Group has accumulated MAT credit and tax incentives to be availed/adjusted against future taxable profits. Based on the projections prepared by the management, including its plan for future capital expenditure for capacity enhancement, the Group has determined that exercising the option of lower rate will be beneficial only in the long term. Accordingly, certain domestic companies in the Group have not exercised this option during the period and continue to recognize the taxes on income for year ended March 31, 2022 as per the existing normal tax rate of 30% (plus applicable surcharge and cess).

The Parent Company and some of its Indian subsidiaries have assessed that its net deferred tax liability as at March 31, 2022 would get reversed within the period for which company is expected to continue to be in the existing tax regime. The Group will review the above position at each year end.

C. Income Tax Assets and Liabilities with Tax Authorities

(₹ in Crore)

		As at	
		31/03/2022	31/03/2021
i.	**Income Tax Assets (Net)**		
	Non-Current Tax Assets (Net)	8	4
	Current Tax Assets (Net)	186	207
		194	**211**
ii.	**Income Tax Liabilities (Net)**		
	Current Tax Liabilities	2,120	2,126
		2,120	**2,126**

The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Authorities. Management periodically evaluates the positions taken in tax returns with respect to above matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis Management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities. Also refer Note 1D.

10. Other Non-Current and Current Assets

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Capital Advance	547	-	302	-
Trade Advances and Deposits - (a)	10	1,256	120	653
Deposits with Government and Other Authorities	17	30	216	37
Prepaid Expenses	103	714	48	583
Others				
Unsecured, Considered Good - (b), (c)	1,000	2362	839	1,400
Unsecured, Considered Doubtful				
Advance to Supplier for Goods and Services	22	108	12	108
Others	-	11	-	12
Less : Allowance for Doubtful amount	(22)	(119)	(12)	(120)
	1,677	**4,362**	**1,525**	**2,673**

(a) Refer Note 42 for balances with related parties.

(b) It mainly includes unutilised tax credits and claims receivable from Indirect Tax Authorities.

(c) It also includes ₹ 192 crore (Garepalma ₹ 74 crore and Kathautia ₹ 118 crore) [31/03/2021: ₹ 192 crore (Garepalma ₹ 74 crore and Kathautia ₹ 118 crore)] towards appropriation of Performance Bank Guarantee by Nominated Authority. Refer note - 52 for further details.

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11. Inventories

Refer Note 1B(N) for accounting policy on Inventories

(₹ in Crore)

	As at					
	31/03/2022			31/03/2021		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	7,293	5,852	13,145	4,587	5335	9,922
Work-in-Progress	20,185	249	20,434	13,318	121	13,439
Finished Goods	6,900	280	7,180	4,670	199	4,869
Stock-in-Trade	884	-	884	4	-	4
Stores and Spares	2,329	18	2,347	1,969	55	2,024
Coal and Fuel	474	19	493	396	14	410
	38,065	**6,418**	**44,483**	**24,944**	**5,724**	**30,668**

(a) For Inventories hypothecated against secured short-term borrowings, refer Note 18B.

(b) The Group has extended fair value hedge accounting on its inventory which forms part of Work-in-Progress and Finished Goods. Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and is taken to profit and loss when the inventory is sold or consumed. Refer Note 46(B)(a)

(c) Write down of inventories (net of reversal) to net realizable value amounted to ₹ 612 crore (31/03/2021: ₹ 377 crore). These were recognized as expense and included in 'Cost of Material Consumed' and 'Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade' in the Consolidated Statement of Profit and Loss.

(d) Inventories in hand include bulk material of coal, bauxite and copper concentrate lying at yards, mines, plants, precious metals of gold and silver lying at smelter and refinery aggregating to ₹ 4,302 crore (31/03/2021: ₹ 3,179 crore).

12. Trade Receivables

Refer Note 1B(O) for accounting policy on Trade Receivable

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Trade Receivables:				
Secured, Considered Good	-	2,083	-	1,767
Secured, Credit Impaired	-	6	-	9
Unsecured, Considered Good	-	19,011	53	11,202
Unsecured, Credit Impaired	-	60	-	58
	-	**21,160**	**53**	**13,036**
Less: Loss Allowances - (c)	-	(84)	-	(77)
	-	**21,076**	**53**	**12,959**

(a) Trade Receivables ageing schedule as at 31/03/2022:

(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Secured								
(i) Secured, Considered Good	-	2,023	53	5	-	-	-	2,081
(ii) Secured, Credit Impaired	-	-	-	2	2	1	1	6
Unsecured								
(i) Undisputed – considered good	34	18,685	170	26	24	2	6	18,947
(ii) Undisputed – significant increase in credit risk	-	-	-	-	-	-	1	1
(iii) Undisputed – credit impaired	-	-	-	3	4	2	11	20
(iv) Disputed – considered good	5	-	31	-	29	3	-	68
(v) Disputed – significant increase in credit risk	-	-	-	-	-	-	21	21
(vi) Disputed – credit impaired	-	-	-	-	-	-	15	15
	39	**20,708**	**254**	**36**	**59**	**8**	**55**	**21,159**
Less: Loss Allowances								(83)
Total								**21,076**

Trade Receivables ageing schedule as at 31/03/2021:

(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Secured								
(i) Secured, Considered Good	-	1,790	26	-	-	-	-	1,816
(ii) Secured, Credit Impaired	-	-	-	2	3	2	2	9
Unsecured								
(i) Undisputed – considered good	52	10,756	307	38	6	2	10	11,171
(ii) Undisputed – significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	3	4	2	11	20
(iv) Disputed – considered good	5	1	-	-	28	-	-	34
(v) Disputed – significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	1	33	34
	57	**12,547**	**333**	**43**	**41**	**7**	**56**	**13,084**
Less: Loss Allowances								(72)
Total								**13,012**

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(b) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

(c) For trade receivables hypothecated against borrowings, refer Note 18B.

(d) Loss allowances includes provision of ₹ 24 crore (31/03/2021: ₹ 19 crore) made on account of expected credit loss on Trade Receivables. Refer Note 46(A)(c)

(e) Refer Note 42 for balances with related parties.

13. Cash and Cash Equivalents

Refer Note 1B(S) for accounting policy on Cash and Cash Equivalents

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Cash on Hand	-	-
Cheques and Drafts on Hand - (a)	14	8
Balance with Banks		
Current Accounts	6,630	5,514
Deposits with Initial Maturity of less than three months	4,333	2,048
Short term Liquid Investments in Mutual Funds	662	769
	11,639	**8,339**

(a) Includes ₹ Nil crore (31/03/2021: ₹ 3 crore) remittance in transit.

(b) There is no restriction with regard to cash and cash equivalents as the end of reporting year and prior years.

14. Bank Balances other than Cash and Cash Equivalents

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Balances with Banks		
Earmarked balances - (a), (b)	16	116
Deposits with Initial Maturity more than three months	5,737	354
	5,753	**470**

(a) Includes unclaimed dividend of ₹ 5 crore (31/03/2021: ₹ 4 crore).

(b) It also includes an amount of ₹ Nil (31/03/2021: ₹ 102 crore) deposited in an account restricted for repayment of an unsecured term loan.

15. Non-Current Assets or Disposal Group Classified as Held for Sale

Refer Note 1B(H) for accounting policy on Non-Current assets (or Disposal Groups) Held for Sale

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
A. Assets or Disposal Group Classified as Held for Sale		
Non-Current Assets classified as held for sale - (a), (b)	42	45
Assets of Disposal Group classified as held for sale - (c)	46	107
	88	**152**

(a) As at March 31, 2022 assets held for sale of ₹ 39 crore (March 31, 2021: ₹ 41 crore) relate to one of the hydroelectric power generation facilities in South America, Brecha, land and building of Binh Duong plant in Vietnam. (refer Note 34 for reversal of impairment)

(b) Details of Assets classified as held for sale by the Parent Company

Land and Building	1	1
Plant and Equipment	2	3
	3	**4**

(c) Details of Assets of Disposal Group classified as held for sale

Other Assets - (i)	46	107
	46	**107**

(i) Represents assets of discontinued operation classified as held for sale. - (refer Note 50)

(ii) During the year the Group has recognised impairment loss of ₹ Nil crore (31/03/2021: ₹ 25 crore) on Assets which are held for disposal. - (refer Note 34)

(iii) The fair value of the assets held for sale approximates the carrying value.

B. Liability Associated with Disposal Group Classified as Held for Sale

Liabilities associated with Disposal Group classified as held for Sale - (a)	93	119
	93	**119**

(a) Represents liabilities of discontinued operation classified as held for sale. - (refer Note 50)

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16. Equity Share Capital

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Authorized		
2,500,000,000 (as at 31/03/2021 : 2,500,000,000) Equity Shares of ₹ 1/- each	250	250
25,000,000 (31/03/2021: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5	5
	255	255
Issued		
2,247,726,370 (as at 31/03/2021: 2,247,237,893) Equity Shares of ₹ 1/- each - (a)	225	225
	225	225
Subscribed and Paid-up		
2,247,718,973 (as at 31/03/2021: 2,247,230,496) Equity Shares of ₹ 1/- each fully paid-up	225	225
Less: Face value of 546,249 (31/03/2021: 546,249) Equity Shares forfeited	-	-
Add: Forfeited Shares (Amount originally Paid-up)	-	-
	225	225
Less: Treasury Shares		
16,316,130 (31/03/2021: 16,316,130) Equity Shares held as Treasury Shares - (b)	(2)	(2)
7,064,997 (31/03/2021: 5,824,965) Equity Shares held as Treasury Shares by ESOP Trust - (c)	(1)	(1)
	222	222

(a) Issued Equity Share Capital as at 31/03/2022 includes 7,397 Equity Shares (31/03/2021: 7,397) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

(b) Treasury shares include shares held by Trident Trust which represents 16,316,130 equity shares (31/03/2021: 16,316,130 Equity Shares) of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangements approved by the Hon'ble High Courts of Mumbai and of Allahabad, vide their Orders dated October 31, 2002, and November 18, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to January 23, 2024.

(c) Treasury shares include shares held by Hindalco Employee Welfare Trust (ESOP Trust) which represents 7,064,997 equity shares (31/03/2021: 5,824,965 Equity Shares) of ₹ 1/- each fully paid up of the Company. The Trust buys shares of the Company from the market, for giving shares to employees pursuant to the Employees Stock Option Scheme, 2018. - (refer Note 17(A)(ix))

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

	As at			
	31/03/2022		31/03/2021	
	Numbers	₹ in Crore	Numbers	₹ in Crore
Equity Shares outstanding at the beginning of the year	2,224,543,152	222	2,224,020,885	222
Equity Shares allotted pursuant to exercise of Employee Stock Option Scheme (ESOS)	488,477	-	461,560	-
Equity shares purchased by Hindalco Employee Welfare Trust from market pursuant to ESOS	(2,119,000)	-	-	-
Equity shares allotted pursuant to exercise of ESOS through Hindalco Employee Welfare Trust	878,968	-	60,707	-
Equity Shares outstanding at the end of the year	**2,223,791,597**	**222**	**2,224,543,152**	**222**

(e) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 1/- 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 case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(f) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at			
	31/03/2022		31/03/2021	
	Numbers of Shares held	Percentage of Holding *	Numbers of Shares held	Percentage of Holding *
IGH Holdings Private Limited	350,088,487	15.58%	349,963,487	15.58%
Birla Group Holdings Private Limited	228,292,308	10.16%	228,292,308	10.16%
Life Insurance Corporation of India and its Associates	189,588,459	8.44%	203,135,624	9.04%
Morgan Guaranty Trust Company of New York	98,270,986	4.37%	151,010,943	6.72%

*Percentage have been calculated on the basis of total number of shares outstanding before adjusting shares held by Trident Trust and ESOP Trust. Refer footnote (b) and (c) above.

(g) Shares held by promoters at the end of the year and Movement:

Promoter's Name$	No. of Shares as at 31/03/2022	Percentage of Holding * on 31/03/2022	No. of Shares as at 31/03/2021	Percentage of Holding * on 31/03/2021	% Change during the Year
Kumar Mangalam Birla	901,635	0.04%	901,635	0.04%	-
Birla Group Holdings Private Limited	228,292,308	10.16%	228,292,308	10.16%	-
Total	**229,193,943**		**229,193,943**		

$Promoter here means promoter as defined in Section 2(69) of the Companies Act, 2013.

*Percentage have been calculated on the basis of total number of shares outstanding before adjusting shares held by Trident Trust and ESOP Trust. Refer footnote (b) and (c) above.

(h) Shares reserved for issue under options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes. (Refer Note 41 for details of Employee Stock Option Scheme).

(i) The Company during the preceding 5 years:

i. Has not allotted shares pursuant to contracts without payment received in cash.

ii. Has not issued shares by way of bonus shares.

iii. Has not bought back any shares.

(j) The Board of Directors of the Company has recommended dividend of ₹ 4 per share aggregating to ₹ 899 crore for the year ended March 31, 2022 which has not been recognised in the Consolidated Financial Statements.

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17. Other Equity

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Share Application Money pending Allotment	-	-
Equity Component of Other Financial Instruments	4	4
Reserve and Surplus		
Capital Reserve	147	147
Capital Redemption Reserve	104	104
Business Reconstruction Reserve	5,799	5,799
Securities Premium	8,234	8,225
Debenture Redemption Reserve	1,500	1,350
Employees Stock Options	75	54
Treasury Shares held by ESOP Trust	(199)	(129)
Special Reserve	20	20
General Reserve	21,370	21,370
Retained Earnings	36,810	22,777
	73,860	**59,717**
Other Reserves		
Gain/ (Loss) on Equity Instruments FVTOCI	5,334	4,673
Gain/ (Loss) on Debt Instruments FVTOCI	(5)	1
Effective portion of Cash Flow Hedge	(4,894)	(1,246)
Cost of Hedging Reserve	(39)	10
Foreign Currency Translation Reserve	3,709	3,152
	4,105	**6,590**
	77,969	**66,311**

(A) Brief description of items of Other Equity are given below:

(i) **Share Application Money Pending Allotment:**

Share application money pending allotment represents amount received from employees who has exercised Employee Stock Option Scheme (ESOS) for which shares are pending allotment as on balance sheet date.

(ii) **Equity Component of Other Financial Instruments:**

It represents fair valuation gain of inter-corporate deposits taken in earlier years by Associate entities on transition to Ind AS.

(iii) **Capital Reserve:**

The Group has created capital reserve pursuant to past mergers and acquisitions.

(iv) **Capital Redemption Reserve:**

The Group has created capital redemption reserve as per the requirement of the Companies Act.

(v) **Business Reconstruction Reserve**

The Company had formulated a scheme of financial restructuring under sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme.

(vi) **Securities Premium:**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Act.

(vii) **Debenture Redemption Reserve:**

The Group is required to create a debenture redemption reserve out of the profits which is available for payment of dividend, for the purpose of redemption of debentures.

(viii) **Employees Stock Options:**

The employee stock option account is used to recognize the grant date fair value of options issued to employees under stock option schemes.

(ix) **Treasury Shares held by ESOP Trust**

The Company has created a trust, namely "Hindalco Employee Welfare Trust"(ESOP Trust) for providing share-based payments to its employees (including its Subsidiaries' employees). The Company uses this Trust as a vehicle for distributing shares to employees covered under Scheme. The Trust buys shares of the Company from the market, for giving shares to employees under the Employees Stock Option Scheme, 2018.

Shares held by the Trust are treated as Treasury shares. Equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on purchase, sale, issue or cancellation of Equity instruments. Share options whenever exercised, would be utilised from these treasury shares. Refer Note 41

(x) **Special Reserve**

Certain subsidiaries of the Group are registered as non-banking financial company and as per requirement of Section 45-IC of the Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(xi) **General Reserve**

The Group has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend in the past.

(xii) **Retained Earnings**

Amount of retained earnings represents accumulated profit and losses of the Group as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI. Actuarial Gain/ Loss arising out of Actuarial valuation is immediately transferred to Retained Earnings.

(xiii) **Other Reserve**

a) **Gain/(Loss) on equity and debt instruments accounted as FVTOCI**

The Group has elected to recognize changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve and FVTOCI debt investment reserve within equity.

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b) **Effective portion of Cash Flow Hedge**

The Group uses hedging instruments as part of its risk management policy for commodity and foreign currency risk as described in Note 46. The Cash Flow hedging reserve is used to recognise the effective portion of gain or loss on designated hedging relationship. (Refer Note 46 (E) and 46 (F) (i)).

c) **Cost of Hedging Reserve**

The Group designates the spot component of cross currency interest rate swap as hedging instruments in fair value hedge relationship and cash flow hedge relationship. The Group defers changes in the forward element of cross currency interest rate swap in the cost of hedging reserve. For fair value hedge forward points at inception is amortized on a straight line basis from OCI based on the remaining life of trade. For cash flow hedge the deferred cost of hedging are included in the initial cost of the related hedged items when it is recognized or reclassified to the Consolidated Statement of Profit and Loss when the hedged item effects the Consolidated Statement of Profit and Loss. The Group also designates the intrinsic value of the option contracts whereas the time value of option contracts is included in the cost of hedging reserve. (Refer Note 46 (E) and 46 (F) (ii)).

d) **Foreign Currency Translation Reserve**

Foreign Currency Translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities of the Group's foreign operations into Indian Rupees using exchange rates prevailing at the end of each reporting period and (b) translating income and expense items of the foreign operations at the average exchange rates for the period.

(B) Movement of each item of other equity is presented in Consolidated Statement of Changes in Equity (SOCE).

18A. Borrowings, Non-Current

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

Particulars	As at					
	31/03/2022			31/03/2021		
	Non-Current Portion	Current Maturities	Total	Non-Current Portion	Current Maturities	Total
Secured						
Debentures						
Non Convertible Debentures-(a)	-	5,999	5,999	5,997	-	5,997
Term Loans:						
From Banks						
Rupee Term Loans - (b)	14,227	14	14,241	11,731	8	11,739
Foreign Currency Term Loans - (c)	9,274	98	9,372	14,111	916	15,027
	23,501	**6,111**	**29,612**	**31,839**	**924**	**32,763**
Unsecured						
Senior Notes - (d)	27,222	-	27,222	26,581	-	26,581
Term Loans:						
From Banks						
Foreign Currency Term Loans - (e)	905	48	953	541	22	563
Deferred Payment Liabilities - (f)	7	18	25	24	18	42
	28,134	**66**	**28,200**	**27,146**	**40**	**27,186**
	51,635	**6,177**	**57,812**	**58,985**	**964**	**59,949**

(a) Debentures comprise of following:

(₹ in Crore)

		As at				Redemption Date
		31/03/2022		31/03/2021		
		Gross Amount	Carrying Value	Gross Amount	Carrying Value	
30,000	9.55% Redeemable Non Convertible Debentures of ₹ 10 lakhs each	3,000	3,000	3,000	2,999	25/04/2022
15,000	9.55% Redeemable Non Convertible Debentures of ₹ 10 lakhs each	1,500	1,500	1,500	1,499	27/06/2022
15,000	9.60% Redeemable Non Convertible Debentures of ₹ 10 lakhs each	1,500	1,499	1,500	1,499	02/08/2022
		6,000	**5,999**	**6,000**	**5,997**	

All the above Debentures are secured by all the movable items of Property, Plant and Equipment, both present and future (except movable assets of Mahan Aluminium plant, Aditya Aluminium plant, Kalwa plant and Current Assets) and certain immovable properties of the Parent. - (refer Note 2A)

(b) Secured Rupee Term Loans from Banks comprise of following:

(₹ in Crore)

	Footnote	As at				Redemption Date
		31/03/2022		31/03/2021		
		Gross Amount	Carrying Value	Gross Amount	Carrying Value	
Axis Bank - (Repo Rate + 275 bps)	(i)	619	602	619	610	31-03-2030
State Bank of India - (MCLR 3 Month + 10 bps)	(i)	2,239	2,216	2,239	2,227	31-03-2030
ICICI Bank - (Repo Rate + 275 bps *)	(i)	76	75	84	84	31-03-2030
State Bank of India - (MCLR 3 Month + 10 bps)	(ii)	4,672	4,665	4,672	4,657	01-09-2030
PNB Bank - (MCLR 1 Month + 5 bps)	(ii)	256	255	256	254	01-09-2030
Axis Bank - (Repo Rate + 275 bps)	(ii)	1,371	1,363	1,371	1,352	01-09-2030
State Bank of India - (MCLR 3 Month + 15 bps)	(i)	2,500	2,500	-	-	31-12-2031
Axis Bank - (Policy Repo Rate+275 bps/ SBI 3M MCLR+10 bps/ Axis Bank 1M MCLR)	(iii)	635	631	635	626	30-09-2030
State Bank of India - (MCLR 3 Month + 10 bps)	(iii)	1,789	1,784	1,789	1,779	30-09-2030
State Bank of India - (MCLR 3 Month + 15 bps)	(iii)	150	150	150	150	30-09-2030
		14,307	**14,241**	**11,815**	**11,739**	

*Benchmark changed w.e.f. February 2022. Previous benchmark was T-bill.

Definition of abbreviation used

(i) 100 basis points (bps) is equal to 1%

(ii) Repo rate is the rate at which RBI lends funds to commercial banks

(iii) Marginal Cost of funds based Lending Rate (MCLR) is a tenor-linked internal benchmark rate of respective bank

(iv) Treasury Bill (T-bill) means the rate of interest published by the Financial Benchmarks India Pvt. Ltd. ("FBIL").

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(i) Rupee Term Loans of Mahan Unit: The term loans from banks of ₹ 2,934 crore (carrying amount: ₹ 2,893 crore) are secured by a first ranking charge/ mortgage/ security interest in respect of all the moveable Property, Plant and Equipment andand all the immoveable properties of Mahan Aluminium plant, both present and future. ₹ 2,858 crore (carrying value: ₹ 2,818 crore) is to be repaid in 16 quarterly instalments commencing from June 2026. ₹ 76 crore (carrying value: ₹ 75 crore) is to be repaid in 32 quarterly instalments as per original repayment schedule effective June 2020.

The term loan of ₹ 2,500 crore (carrying amount: ₹ 2,500 crore) is secured by a first ranking charge/ mortgage/security interest in respect of all the moveable and immovable items of Property, Plant and Equipment of Mahan Aluminium plant, both present and future. ₹ 2,500 crore (carrying amount: ₹ 2,500 crore) is to be repaid in 34 quarterly instalments commencing from September 2023.

(ii) Rupee Term Loans of Aditya Unit: The term loans from banks of ₹ 6,299 crore (carrying value: ₹ 6,283 crore) is secured by a first ranking charge/ mortgage/security interest in respect of its all the moveable and immoveable Property, Plant and Equipment of Aditya Aluminium Project both present and future. ₹ 6,299 crore is to be repaid in 26 quarterly instalments commencing from May 2024.

(iii) The term loan from banks in Group's subsidiary Utkal Alumina International Limited (Utkal) of ₹ 2,574 crore (carrying value ₹ 2,565 crore), is secured by (a) first ranking pari-passu mortgage/ Security Interest in respect of all of its immovable properties (excluding the forest land and land surrendered for rehabilitation and resettlement colony) (b) first ranking charge on movable assets (including movable machinery, machinery spares, tools and accessories) both present and future, pertaining to the project (c) second charge on the current assets of Utkal (excluding cash and cash equivalents and investments) both present and future.

This includes term loans of ₹ 2,424 crore (carrying value ₹ 2,415 crore), are repayable in 60 quarterly instalments as per the agreed repayment schedule commenced from December 31, 2015. During the year ended March 31, 2018, Utkal has prepaid all instalments of the loan due up to June & September 30, 2025 to respective banks. The balance principal would be paid as per remaining schedule in quarterly instalments up to September 30, 2030.

The term loans of ₹ 150 crore (carrying value ₹ 150 crore), is repayable in 34 structured quarterly instalments starting from 18th month from the date of first drawdown.

(c) Secured Foreign Currency Term Loans from Banks comprise of following:

i. **Foreign currency term loan from Bank of Tokyo Mitsubishi (BTMU)**

Foreign currency term loan pertained to loan from Bank of Tokyo Mitsubishi (BTMU) of $ 40 million (gross ₹ 293 crore, carrying value ₹ 291 crore) and $ 22.79 million (gross ₹ 167 crore, carrying value ₹ 166 crore). BTMU loan was secured by a pari-passu first charge on all movable Property, Plant and Equipment of Mahan Aluminium plant, both present and future. The loans were to be repaid in a single instalment at the end of the tenure. The Group has prepaid both the loans in April 2021.

ii. **Floating rate Term Loan facility**

2017 Term Loans:

In January 2017, Novelis borrowed ₹ 13,167 crore ($ 1.8 billion) of term loans (the "2017 Term Loans") under its Term Loan Facility. The 2017 Term Loans mature on June 2, 2022 and are subject to 0.25% quarterly amortization payments. The existing loans under the Term Loan Facility accrue interest at LIBOR plus 1.85%

During previous year Novelis made ₹ 8,974 crore ($ 1.1 billion) in principal payments beyond its scheduled quarterly amortization payments on its 2017 Term Loans using the proceeds from the issuance of the 2021 Term Loans and the 2029 Senior Notes, as defined below.

During current year, Novelis has made ₹ 4,668 crore ($ 615 million) in principal payments beyond its scheduled quarterly amortization payments on its 2017 Term Loans, a portion of which was paid using cash on hand, the proceeds of our short-term loan due November 30, 2022 Novelis entered into in January 2022, and the April 2021 proceeds from its 2021 Term Loans, as defined below. As a result of such payments, the Group has recorded a loss on extinguishment of debt of ₹ 18 crore ($ 2.3 million) during current year. As of March 31, 2022, the 2017 Term Loans have been fully repaid.

2020 Term Loans:

In April 2020, Novelis Acquisitions LLC borrowed ₹ 5,892 crore ($ 775 million) under the Novelis' existing secured termloan credit agreement ("Term Loan Facility") prior to its merger into Aleris Corporation. The proceeds of the incremental term loans were used to pay a portion of the consideration payable in the acquisition of Aleris (including the repayment of Aleris' outstanding indebtedness) as well as fees and expenses related to the acquisition, and the incremental term loans. The incremental term loans will mature on January 21, 2025, subject to 0.25% quarterly amortization payments. The incremental term loans accrue interest at LIBOR (as defined in the Term Loan Facility) plus 1.75%.

As of March 31, 2022, the outstanding amount on 2020 Term Loan Facility is ₹ 5,673 crore ($ 748 million) net of debt issuance cost of ₹ 82 crore ($ 11 million).

2021 Term Loans:

In March 2021, Novelis borrowed ₹ 3,649 crore ($ 480 million) of term loans (the "2021 Term Loans") under its Term Loan Facility with an additional ₹ 149 crore ($ 20 million) being borrowed under the 2021 Term Loans in April 2021. The 2021 Term Loans mature on March 31, 2028 and are subject to 0.25% quarterly amortization payments. The existing loans under the Term Loan Facility accrue interest at LIBOR plus 2%. The proceeds of the 2021 Term Loans were applied to refinance a portion of the 2017 Term Loans.

As of March 31, 2022 the outstanding amount on 2021 Term Loan Facility is ₹ 3,699 crore ($ 487 million) net of debt issuance cost of ₹ 58 crore ($ 8million).

Zhenjiang Loans

Through the acquisition of Aleris on April 14, 2020, Novelis assumed ₹ 1,078 crore ($ 142 million) in debt borrowed by Aleris Aluminum (Zhenjiang) Co., Ltd. ("Aleris Zhenjiang") under a loan agreement comprised of non-recourse multi currency secured term loan facilities and a revolving facility (collectively the "Zhenjiang Loans"), which consisted of a ₹ 221 crore ($ 29 million) U.S. dollar term loan facility, a ₹ 852 crore ($ 112 million) Renminbi term loan facility (collectively, the "Zhenjiang Term Loans") and a revolving facility (the "Zhenjiang Revolver"). The Zhenjiang Revolver has certain restrictions that have limited Novelis's ability to borrow funds on the Zhenjiang Revolver and will continue to limit Novelis' ability to borrow funds in the future. All borrowings under the Zhenjiang Revolver matured on May 18, 2021.

In May 2021, the Zhenjiang term loans amounting to ₹ 959 crore ($ 129 million) were prepaid in full. As a result of repayment of term loan the Group recognised gain on extinguishment of debt of ₹ 16 crore ($ 2 million). As of March 31, 2022, there is no amounts outstanding under the Zhenjiang Revolver.

All the above term loans of Novelis are part of its senior secured credit facilities, which are guaranteed by its direct parent, AV Metals Inc., and certain its direct and indirect subsidiaries and are secured by a pledge of substantially all of the assets, including Intangible Assets but excluding Right-of-Use Assets, of the Novelis and the guarantors.

(d) Unsecured Senior Notes comprise of following:

5.875% Senior Notes due September 2026

In September, 2016, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued $ ₹ 10,972 crore (1.5 billion) in aggregate principal amount of 5.875% Senior Notes Due 2026 (the "2026 Senior Notes"). The proceeds from the August 2021 issuance of the 2026 Senior Notes and the 2031 Senior Notes, as defined below, were used to fully fund the redemption of the 5.875% Senior Notes due September 2026.

As of March 31, 2022, the 2026 Senior Notes were no longer outstanding.

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2026 Senior Notes & 2031 Senior Notes

In August 2021, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued ₹ 5,563 crore ($ 750 million) in aggregate principal amount of 3.250% Senior Notes due November 2026 (the "2026 Senior Notes"). The 2026 Senior Notes mature on November 15, 2026 and are subject to semi-annual interest payments that will accrue at a rate of 3.250% per year. The net proceeds of the offering, together with cash on hand, were used to (i) fund the redemption of a portion of the 5.875% Senior Notes due September 2026, plus the redemption premium and accrued and unpaid interest thereon and (ii) pay certain fees and expenses in connection with the foregoing and the offering of the notes.

In August 2021, Novelis Corporation, a wholly owned subsidiary of Novelis Inc., issued ₹ 5,563 crore ($ 750 million) in aggregate principal amount of 3.875% Senior Notes due August 2031 (the "2031 Senior Notes"). The 2031 Senior Notes mature on August 15, 2031 and are subject to semi-annual interest payments that will accrue at a rate of 3.875% per year. The net proceeds of the offering, together with cash on hand, were used to (i) fund the redemption a portion of the 5.875% Senior Notes due September 2026, plus the redemption premium and accrued and unpaid interest thereon and (ii) pay certain fees and expenses in connection with the foregoing and the offering of the notes.

The Group has incurred debt issuance costs of ₹ 81 crore ($ 11 million) for the 2026 Senior Notes and 2031 Senior notes, which will be amortized as an increase to interest expense and amortization of debt issuance costs over the term of the note.

As a result of this transaction, the Group has recorded a loss on extinguishment of debt of ₹ 453 crore ($ 60.9 million) and gain on modification of ₹ 103 crore ($ 13.9 million) in the second quarter of fiscal 2022, ₹ 378 crore ($ 51 million) of which related to redemption premium and was paid with cash on hand.

As of March 31, 2022 outstanding amount on 2026 Senior Notes and 2031 Senior Notes is ₹ 5,561 crore ($ 732 million) respectively.

2029 Senior Notes

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued ₹ 4,299 crore (€ 500 million) in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes" and together with the 2026 Senior Notes and the 2030 Senior Notes, the "Senior Notes"). The 2029 Senior Notes are subject to semi-annual interest payments and mature on April 15, 2029. The proceeds were used to pay down a portion of the 2017 Term Loans, plus accrued and unpaid interest. In addition, Novelis intend to allocate an amount equal to the net proceeds received from this issuance to finance and/or refinance new and/or existing eligible green projects, which are currently contemplated to consist of renewable energy or pollution prevention and control type projects.

As of March 31, 2022 outstanding amount on 2029 Senior Notes is ₹ 4,143 crore ($ 546 million) net of debt issuance cost of ₹ 78 crore ($ 10 million).

2030 Senior Notes

In January 2020, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued ₹ 11,704 crore ($ 1.6 billion) in aggregate principal amount of 4.750% Senior Notes due January 2030 (the "2030 Senior Notes"). The 2030 Senior Notes are subject to semi-annual interest payments and mature on January 30, 2030.

As of March 31, 2022 outstanding amount on 2030 Senior Notes is ₹ 11,957 crore ($ 1.6 billion) net of debt issuance cost of ₹ 188 crore ($ 25 million).

(e) Unsecured Foreign Currency Term Loan from Banks comprise of following:

Bank of China Term Loan

In September 2019, Novelis entered into a credit agreement with the Bank of China to provide up to CNY 500 million in unsecured loans to support previously announced capital expansion projects in China. As of March 31, 2022 the outstanding amount of this loan is ₹ 573 crore ($ 76 million). This loan carries interest rates of 4.90%.

Brazil Loans

In the third quarter of fiscal 2022, Novelis borrowed ₹ 223 crore ($ 30 million) of bank loans. These bank loans are due June 16, 2023 and are subject to 1.8% interest due in full at the maturity date. As of March 31, 2022 the outstanding balance on this loan is ₹ 228 crore ($ 30 million).

In the third quarter of fiscal 2022, Novelis also borrowed ₹ 149 crore ($ 20 million) of bank loans due December 15, 2023. These bank loans are subject to 1.8% interest due in full at the maturity date. As of March 31, 2022 the outstanding balance on this loan is ₹ 152 crore ($ 20 million).

(f) Deferred Payment Liabilities

On July 23, 2018, Novelis Switzerland, an indirectly wholly owned subsidiary of Novelis Inc. acquired real and personal property from Constellium Valais SA for ₹ 1,855 crore ($ 249 million). Out of total purchase price, ₹ 25 crore ($ 3.9 million) is to be paid over a period through July 2023. This facility carries interest rates of 7.5%.

(g) Changes in Liabilities arising from Financing Activities:

(₹ in Crore)

Particulars	Liabilities from financing activities				
	Non Current Borrowings	Current Borrowings	Lease Obligations	Supplier's Credit	Total
Balance as at April 01, 2020 #	**59,459**	**8,762**	**1,142**	**-**	**69,363**
Cash Flows (Net)	(2,915)	2,020	(331)	255	(971)
Additions	-	-	385	-	385
Foreign Exchange Adjustments	(1,254)	(126)	38	-	(1,342)
Fair Value Changes - (refer Note 26 (c))	(87)	(30)	-	-	(117)
Debt Issuance Costs and Amortisation (Net)	68	-	-	-	68
Interest Expense **	3,569	252	56	-	3,877
Interest Paid **	(3,581)	(278)	(51)	-	(3,910)
Disposal/Modification/Reassessment	-	-	(135)	-	(135)
Changes in Liabilities Assumed on Acquisition	1,078	-	124	-	1,202
Reclassification	4,484	(4,484)	-	-	-
Other Changes/Reclassification	3	(68)	-	-	(65)
Balance as at March 31, 2021 #	**60,824**	**6,048**	**1,228**	**255**	**68,355**
Cash Flows (Net)	(3,747)	(849)	(337)	2,161	(2,772)
Additions	-	-	412	-	412
Foreign Exchange Adjustments	1,198	135	14	40	1,387
Fair Value Changes - (refer Note 26 (c))	(64)	-	-	-	(64)
Debt Issuance Costs and Amortisation (Net)	79	-	-	-	79
Interest Expense **	3,381	202	56	8	3,647
Interest Paid **	(3,127)	(75)	(50)	(8)	(3,260)
Disposal/Modification/Reassessment	-	(4)	(72)	-	(76)
Changes in Liabilities Assumed on Acquisition	-	139	-	-	139
Liabilities on Disposal of a Subsidiary	(6)	(21)	-	-	(27)
Other Changes	(6)	6	-	-	-
Balance as at March 31, 2022 #	**58,532**	**5,581**	**1,251**	**2,456**	**67,820**

Borrowing include Interest accrued on borrowings and current maturities of related borrowings.

** Interest expenses and interest paid relates to borrowings and lease liabilities before interest capitalisation.

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18B. Borrowings, Current

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Secured		
Loans from Banks		
Rupee Loans - (a), (b) & (d)	5	7
Foreign Currency Loans - (g)	114	651
Loans from Others		
Foreign Currency Loans - (c)	4	2
	123	**660**
Unsecured		
Loans from Banks		
Rupee Loans - (d)	-	40
Foreign Currency Loans - (e), (f)	5,300	5,329
	5,300	**5,369**
Current Maturities of Long-term Borrowings	6,177	964
	11,600	**6,993**

(a) Working Capital loan for Aluminium business, granted under the Consortium Lending Arrangement, are secured by a first pari-passu charge on entire stocks of raw materials, work-in-process, finished goods, consumable stores and spares and also book debts pertaining to the Company's Aluminium business, both present and future. Working Capital loan for the Copper business is secured by a first pari passu charge on stocks of raw materials, work-in-process, finished goods and consumable stores and spares and also book debts and other movable assets of Copper business, both present and future. (Refer Note 11(a))

(b) Cash Credit facilities for Utkal Alumina International Limited (Utkal) with banks are availed under the consortium lending arrangement and are secured by (a) first pari-passu charge by hypothecation of investments classified as "held for trading", entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares, investments classified as "available for sale", stock-in trade and book debts pertaining to Utkal's business, both present and future and (b) second charge on Utkal's fixed assets. The borrowings carry floating interest rate at MCLR (ranging from 3 months to one year) + Spread (ranging from 25 bps to 55 bps).

(c) Payable under trade financing arrangements in Novelis Inc.

(d) Represents loan taken to meet the Company's working capital requirements. The loan carry interest rate of 3.31% p.a.

(e) Includes ₹ 1,401 crore (31/03/2021: ₹ 4,245 crore) unsecured Foreign currency loans from Indian Banks and Foreign banks, mainly in nature of Buyers credit which has been availed for Copper business to meet its working capital requirement, mostly to settle the import payments of copper concentrate and certain other raw materials. The loan carry interest rate of 6M SOFR. - Refer Note 46B (c) on non-derivative financial instruments used as hedging instruments.

(f) In January 2022, Novelis entered into a ₹ 2,390 crore ($ 315 million) short-term loan with Axis Bank Limited, IFSC Banking Unit, Gift City, as administrative agent and lender. The proceeds of the short-term loan were applied to voluntarily prepay the 2017 Term Loans, as defined in Note 18A, Non-current borrowings. The short-term loan matures on November 30, 2022, is subject to 0.25% quarterly amortization payments, and accrues interest at Secured Overnight Financing Rate (SOFR) plus 0.90%. The short-term loan is unsecured and guaranteed by certain of the Group's direct and indirect U.S. and Canadian subsidiaries, and the agreement contains voluntary prepayment provisions, affirmative and negative covenants, and events of default substantially similar to those under Novelis' Term Loan Facility, other than changes to reflect the unsecured nature of the short-term loan. As at March 31, 2022, the outstanding balance on this borrowing is ₹ 2,374 crore ($ 313 million).

(g) Foreign Currency Loans represents amount of ABL Revolver credit facility in Novelis. The loan carry interest rate of 3.75% p.a.

As of March 31, 2022, the revolver had an outstanding balance of ₹ 114 crore ($ 15 million); and ₹ 1,197 crore ($ 158 million) was utilized for letters of credit. There was ₹ 10,074 crore ($ 1.3 billion) in remaining availability, including ₹ 131 crore ($ 17 million) of remaining availability that can be utilized for letters of credit.

Above credit facility in Novelis is part of its senior secured credit facilities, which are guaranteed by its direct parent, AV Metals Inc., and certain its direct and indirect subsidiaries and are secured by a pledge of substantially all of the assets, including Intangible Assets but excluding Right-of-Use Assets, of the Novelis and the guarantors.

19. Supplier's Credit

(₹ in Crore)

	As at 31/03/2022		As at 31/03/2021	
	Non-Current	Current	Non-Current	Current
Supplier's Credit	-	2,456	-	255
	-	**2,456**	**-**	**255**

(a) Supplier's Credit represents the extended interest bearing credit offered by the supplier which is secured against Usance Letter of Credit (LC). Under this arrangement, the supplier is eligible to receive payment from negotiating bank prior to the expiry of the extended credit period. The interest for the extended credit period payable to the bank on maturity of the LC has been presented under Finance Cost.

20. Trade Payables

Refer Note 1B(P) for accounting policy on Trade and Other Payables

(₹ in Crore)

	As at 31/03/2022		As at 31/03/2021	
	Non-Current	Current	Non-Current	Current
Micro and Small Enterprises	-	105	-	58
Other than Micro and Small Enterprises - (b) & (c)	-	41,277	-	28,177
	-	**41,382**	**-**	**28,235**

(a) Trade Payables ageing schedule as at 31/03/2022:

(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	14	33	44	10	3	1	105
(ii) Others	4,074	29,622	7,261	157	22	54	41,190
(iii) Disputed - MSME	-	-	-	-	-	-	-
(iv) Disputed - Others	-	-	21	22	44	-	87
Total	**4,088**	**29,655**	**7,326**	**189**	**69**	**55**	**41,382**

Trade Payables ageing schedule as at 31/03/2021:

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(₹ in Crore)

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	3	12	31	5	-	1	52
(ii) Others	2,797	17,380	7,566	30	10	71	27,854
(iii) Disputed - MSME	-	114	63	5	6	6	194
(iv) Disputed - Others	2	-	22	53	12	46	135
Total	**2,802**	**17,506**	**7,682**	**93**	**28**	**124**	**28,235**

(b) Refer Note 42 for balances with related parties.

(c) Refer Note 46-B(c) on non-derivative financial instruments used as hedging instruments.

21. Other Financial Liabilities

Refer Note 1B(Q) for accounting policy on Financial Instruments

A. Other Financial Liabilities, Non-Current

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Liability for Capital Expenditure	8	4
Security and Other Deposits	2	2
Others - (a)	129	127
	139	**133**

(a) Mainly includes employee liabilities of ₹ 127 crore (31/03/2021: ₹ 120 crore)

B. Other Financial Liabilities, Current

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Derivative Matured, pending settlement	1,444	546
Interest Accrued but not due	878	894
Liability for Capital Expenditure	1,080	953
Security and other Deposits	42	33
Investor Education and Protection Fund		
Unclaimed Dividends - (a)	5	5
Debentures - (b)	3	3
Others	155	97
	3,607	**2,531**

(a) These amounts do not include any amount, due and outstanding, to be credited to 'Investor Education and Protection Fund' except ₹ 0.09 crore (31/03/2021: ₹ 0.09 crore) which is held in abeyance due to legal cases pending.

(b) In terms of Debenture Subscription Agreement between Utkal Alumina International Limited ('UAIL'), a wholly owned subsidiary of the Group, and Orissa Mining Corporation Limited ('OMCL'), UAIL issued during the year, a Zero Coupon Unsecured Redeemable Non-Convertible Debentures of ₹ 3 crore to OMCL towards its obligation to pay OMCL an amount equivalent to 15% per annum on ₹ 20 crore as return up to March 31, 2022 which is due for redemption at par on September 30, 2022.

22. Provisions

Refer Note 1B(L) for accounting policy on Provisions and Contingencies and

Refer Note 1B(V) for accounting policy on Employee Benefits

(₹ in Crore)

Particulars	As at					
	31/03/2022			31/03/2021		
	Non-Current	Current	Total	Non-Current	Current	Total
Employee Benefit Provisions - (refer note 30)	6,187	1,115	7,302	7,472	1,138	8,610
Other Provisions:						
Assets Retirement Obligations	288	5	293	302	78	380
Environmental Liability	89	410	499	14	191	205
Enterprise Social Commitment	139	100	239	200	48	248
Renewable Power Obligation	-	148	148	-	172	172
Legal Cases	-	744	744	-	525	525
Other Miscellaneous Provisions	145	319	464	158	458	616
	661	**1,726**	**2,387**	**674**	**1,472**	**2,146**
	6,848	**2,841**	**9,689**	**8,146**	**2,610**	**10,756**

(a) The Group have made provisions towards environmental, asset retirement, social responsibility, renewable power, restructuring, rehabilitation, carbon emission, legal and other obligations at various locations involving considerable uncertainties towards amount and timing of outflow of economic resources. The provisions are discounted over the management expected timing of related cash flows.

(b) Movements in each class of Other Provisions are set out below:

(₹ in Crore)

	Assets Retirement Obligations	Environ-mental Liability	Enterprise Social Commit-ment	Renewable Power Ob-ligation	Legal Cases	Other Mis-cellaneous Provisions *	Total
Balance as at April 01, 2020	**377**	**66**	**243**	**186**	**612**	**513**	**1,997**
Recognised	41	54	5	75	75	337	587
Reclassified	-	-	-	-	1	-	1
Used/Paid	(32)	(12)	(13)	(31)	(68)	(192)	(348)
Reversed	(1)	-	(1)	(58)	(79)	(112)	(251)
Unwinding of discounts	3	1	14	-	-	-	18
Exchange adjustment	(8)	(6)	-	-	(16)	(34)	(64)
Additions due to acquisition	-	102	-	-	-	104	206
Other	-	-	-	-	-	-	-
Balance as at March 31, 2021	**380**	**205**	**248**	**172**	**525**	**616**	**2,146**

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(₹ in Crore)

	Assets Retirement Obligations	Environ-mental Liability	Enterprise Social Commit-ment	Renewable Power Ob-ligation	Legal Cases	Other Mis-cellaneous Provisions *	Total
Recognised	7	317	-	112	200	372	1,008
Reclassified	16	-	-	-	-	(16)	-
Used/Paid	(40)	(4)	(23)	(107)	(10)	(493)	(677)
Reversed - (d)	-	(26)	-	(29)	(23)	(49)	(127)
Unwinding of discounts	16	1	14	-	-	-	31
Exchange adjustment	9	7	-	-	52	34	102
Reversed on disposal of a subsidiary	(95)	(1)	-	-	-	-	(96)
Balance as at March 31, 2022	**293**	**499**	**239**	**148**	**744**	**464**	**2,387**

* Other Provisions primarily includes provisions towards restructuring, rehabilitation, carbon emission, statutory provisions related to indirect taxes, coal cess, etc.

(c) **Brief Description of Provisions:**

i) **Assets Retirement Obligations:**

Asset Retirement Obligation (ARO) is a legal or constructive obligation associated with the ash ponds, red mud ponds, ash pipeline and coal transportation system in refineries and mining land where the land needs to be restored back to usable condition after closing of activities. This is a statutory requirement in which the timing or method of settlement may be conditional on one or multiple future events, the occurrence of which may not be within the control of the entity. The outflow of economic resources is expected during FY 2023 to FY 2054. The same has been appropriately discounted.

ii) **Environmental Liability:**

Environmental Liability is associated with Wild Life Conservation Plan (WLCP) and disposal of hazardous material generated during the course of manufacturing or mining operation e.g. disposal of spent pot lining, Gypsum, Slag etc. This disposal generally takes place as per the guidelines set by various regulatory authorities of States and Central Government. The outflow of economic resources is generally expected in following financial year during FY 23 to FY 31.

iii) **Enterprise Social Commitment:**

Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area where new project is being setup. This is generally defined as a certain percentage of the total cost of the project. The outflow of economic resources is expected during FY 2023 to FY 2056. This has been appropriately discounted wherever necessary.

iv) **Renewable Power Obligation (RPO):**

Some of our units situated in various states like Odisha, Madhya Pradesh , Maharashtra ,Gujarat, Jharkhand etc. who gets power from Captive power plants or procure power from open source, are obligated to purchase certain portion of their power consumption from Renewable Energy sources, both solar and non-solar. This gives rise to Renewable Power Obligation (RPO). In case the obligated units fail to procure power from such renewable sources, they may satisfy the obligation by purchasing Renewable Energy Certificates from authorised exchanges as an alternative.

v) **Legal Cases:**

There are certain legal cases (including revenue matters) against which provision has been made since these events are probable to happen i.e. more likely than not but timing of occurrence of such events is uncertain as it depends on when the matter will be settled at the highest Court of law.

vi) **Other Miscellaneous Provisions:**

Restructuring charges include employee severance and benefit costs and other costs associated with exit activities. Severance costs are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the provisions for restructuring costs to ensure the provisions are still appropriate.

Provision for carbon emission represents estimated liabilities towards emissions for operations in Europe and Asia. The provision is measured at the carrying amount of allowances to the extent that the provision will be settled using allowances on hand, with any excess emission being measured at the market value of the allowances at the period end.

We believe we have made reasonable estimates for the costs that are reasonably possible for these provisions.

Based on the estimates of the timing of the cash outflows related to provisions, discounting will not have a material impact.

(d) **Reversal of Provisions:**

Reversal of RPO Provision

Pursuant to the issuance of notification by Madhya Pradesh Electricity Regulatory Commission (MPERC) in India, the Group has reversed the excess RPO provision of ₹ 13 crore related to FY 2021 in current year and during previous year pursuant to the issuance of notification by MPERC, dated April 05, 2021, the Group has reversed the excess RPO provision of ₹ 21 crore related to FY 2020. Additionally ₹ 36 crore has been reversed on account of reduction in Solar certificate rate from ₹ 2,400/REC to ₹ 1,000/REC.

Reversal of Legal Cases Provision

During previous year reversal of ₹ 39 crore includes reversal of ₹ 37 crore on account of UP Transit Fees and ₹ 2 crore on account of Energy Compensation Charges.

23. Other Non-Current and Current Liabilities

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Customer Refund Liability - (a)	-	205	-	128
Statutory Dues Payables	88	1,418	156	1,154
Deferred Income - (b) & (c)	1,769	229	1,349	83
Other Payables	31	21	34	21
	1,888	**1,873**	**1,539**	**1,386**

(a) Customer refund liability are recognised mainly for discount payable to customers.

(b) Includes deferred income in respect of grant related to Export Promotion Capital Goods (EPCG) ₹ 600 crore (31/03/2021: ₹ 609 crore) in non- current portion and ₹ 20 crore (31/03/2021: ₹ 20 crore) in current portion.

(c) Includes deferred government grant income of ₹ 1,169 crore (31/03/2021: ₹ 740 crore) in non-current portion and ₹ 209 crore (31/03/2021: ₹ 58 crore) in current portion.

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24. Contract Liabilities
Refer Note 1B(Z) for accounting policy on Contract Liability

(₹ in Crore)

Particulars	As at					
	31/03/2022			31/03/2021		
	Non-Current	Current	Total	Non-Current	Current	Total
Advance from Customers	10	365	375	12	347	359
	10	365	375	12	347	359

(a) Reconciliation of contract liabilities for the periods presented:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Balance at beginning of the year	359	202
Amount received during the year against which revenue has not been recognized	193	304
Additions due to Aleris Acquisition	-	8
Revenue recognized during the year		
Less: Contract liabilities at the beginning of the year	(182)	(152)
Foreign exchange gains and losses	5	(3)
Balance at end of the year	375	359

25. Revenue from Operations
Refer Note 1B(Y) for accounting policy on Revenue Recognition

Refer Note 1B(U) for accounting policy on Accounting for Government Grants

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Revenue from Contract with Customers		
Sale of Products - (a)	191,314	128,619
Trade Sales - (b)	1,177	1,414
Sale of Services - (c)	1,265	976
	193,756	131,009
Other Operating Revenues - (a) & (d)	1,303	999
	195,059	**132,008**
Reconciliation of revenue recognised with contract price:		
Contract Price	**202,622**	**133,248**
Adjustments for:		
Refund Liabilities and Discounts	(1,527)	(1,266)
Hedging Gain/ (Loss)	(7,219)	(881)
Others - Provisionally priced contracts	(120)	(92)
Revenue from Contracts with Customers	**193,756**	**131,009**

(a) Sales of Copper products and precious metals are accounted for provisionally, pending finalization of price and quantity. Variations are accounted for in the period of settlement. Final price receivable on sale of above products for which provisional price was not finalized are realigned at year end forward LME/LMBA rate and is being presented as part of other operating revenue. Revenue from subsequent variation in price movement is loss of ₹ 24 crore (31/03/2021: loss of ₹ 31 crore).

(b) Includes nutrient based subsidy of Phosphorus (P) & Potassium (K) arising from sale of Di ammonium phosphate (DAP) ₹ 441 crore (31/03/2021: ₹ 402 crore).

(c) Sale of Services predominantly includes freight and insurance on certain export contracts, which are identified as separate performance obligation under Ind AS 115.

(d) Includes Government grant in the nature of sales related export incentives and other benefits of₹ 414 crore (31/03/2021: ₹ 211 crore).

(e) Group's revenue from external customers as analysed by the country, in which customers are located is given below:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
India	46,139	28,686
Outside India		
United States	46,623	31,083
Brazil	18,347	13,206
Korea	12,418	9,009
United Kingdom	7,305	6,161
Germany	6,060	5,317
China	10,631	5,815
Others	47,122	32,520
	194,645	**131,797**
Add: Export Incentive and other benefits	414	211
Total Revenue from Operations	**195,059**	**132,008**

(f) Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligations related disclosures for contracts where revenue recognized corresponds directly with value to the customer of the Group's performance completed to date.

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26. Other Income

Refer Note 1B(AA) for accounting policy on Dividend and Interest Income

Refer Note 1B(U) for accounting policy on Accounting for Government Grants

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Interest Income		
On Non-Current Investments	20	13
On Current Investments	35	24
On Others	170	144
Dividend Income		
On Non-Current Investments - (a)	32	25
Rent Income	20	16
Gains/ (Loss) on Property, Plant and Equipment and Intangibles Assets sold/ discarded (Net)	(100)	(35)
Gains/(Loss) on Financial Investments Measured at FVTPL (Net)		
On sale of Financial Assets	349	809
On change of Fair Value of Financial Assets	10	(266)
Income from Government Grants - (b)	275	141
Other Non-Operating Income (Net) - (c), (d)	325	328
	1,136	1,199

(a) All dividends from equity investments designated at FVTOCI relate to investments held at the end of the reporting period. Dividend income of ₹ 1 crore (31/03/2021: ₹ Nil) relating to investments derecognised during the reporting period.

(b) Grant income mainly includes carbon emission credit allotments of ₹ 255 crore (31/03/2021: ₹ 116 crore) for certain operations in Europe, UK and Asia and grant income associated with fixed assets investments in North America, South America, Europe and Asia of Group's subsidiary, Novelis Inc. There are no unfulfilled conditions or other contingencies attached to these grants.

(c) Includes gain on repayment and modification of borrowings ₹ 183 crore (31/03/2021: ₹ 113 crore) resulting from change in rate and timing of expected cash flows payments on term loans. It also includes gain recognised on account of change in loan amortisation schedule ₹ Nil (31/03/2021: ₹ 4 crore) due to change in benchmark rate.

(d) Includes royalty income of ₹ 7 crore (31/03/2021: ₹ 58 crore).

27. Cost of Materials Consumed

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Raw Materials - (a)	125,335	77,484
	125,335	77,484

(a) Purchase of copper concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the period of settlement. Final price payable on purchase of copper concentrate for which provisional price and quantity were not finalized during the year are realigned based on forward LME and LBMA rate. Impact on cost from subsequent variation in price movement was loss of ₹ 922 crore (31/03/2021: gain of ₹ 160 crore).

28. Trade Purchases

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Aluminum Rolled Product	256	126
Fertilizer - (a)	1,530	928
Others	172	44
	1,958	1,098

(a) During the previous year, the Fertilizer plant at Dahej, Gujarat was shut for regular maintenance and during the current year, The Group has discontinued and impaired the Fertilizer plant. Thus, for both years, to cater to the domestic demand, the Group has imported the fertilizer products i.e. Di Ammonium Phosphate (DAP) and Nitrogen, Phosphorus and Potassium (NPK).

29. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Crore)

	Opening Inventories		Closing Inventories		Net Change	
	As at		As at		Year ended	
	01/04/2021	01/04/2020	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Work-in-Progress	13,439	10,102	20,434	13,439	(6,995)	(3,337)
Finished Goods	4,869	4,500	7,180	4,869	(2,311)	(369)
Stock-in-Trade	4	127	884	4	(880)	123
	18,312	14,729	28,498	18,312	(10,186)	(3,583)
Inventories acquired in business combination - (refer Note 49)	-	-	-	-	9	1,755
Inventories on disposal of a subsidiary	-	-	-	-	(77)	-
Currency Translation Adjustment (Net)	-	-	-	-	501	(318)
	18,312	14,729	28,498	18,312	(9,753)	(2,146)

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30. Employee Benefits

(A) Employee Benefits Expense

Refer Note 1B(V) for accounting policy on Employee Benefits

Refer Note 1B(W) for accounting policy on Employee Share-based Payments

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Salaries and Wages	9,073	8,274
Post Employment Benefits:		
Contribution to Provident Fund and Other Defined Contribution Funds	417	421
Gratuity and Other Defined Benefit Plans	410	356
Employee Share-Based Payment (refer Note 41)		
Equity Settled Share-Based Payment	35	15
Cash-Settled Share-Based Payment	307	286
Employee Welfare Expenses	1,754	1,567
	11,996	10,919
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development	(60)	(137)
	11,936	10,782

(a) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent inSeptember 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(b) The Hon'ble Supreme Court of India by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Group has given effect of the above judgement effective March 1, 2019. This does not have any material impact on the Consolidated Financial Statements.

(B) Post Employment Benefits

1. Defined Benefit Plans

Major Post retiral defined benefit plans of the Group include Gratuity, Pension, Post retirement medical benefit and Provident Fund (to the extent of the Group's obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis by Central Provident Fund Organisation of Government of India). The Group does Actuarial valuation for its identified long term and short term defined benefit plans.

Methodology for actuarial valuation of Defined Benefit Obligations:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year, for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

Defined benefit plans expose the Group to actuarial risks such as Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: While calculating the defined benefit obligation a discount rate based on government bonds yields of matching tenure is used to arrive at the present value of future obligations. If the bond yield falls, the defined benefit obligation will tend to increase and plan assets will decrease.

ii. Salary Risk: Higher than expected increases in salary will increase the defined benefit obligation.

iii. Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(I) Gratuity Plans

The Group has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972.

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
(a) Change in Defined Benefit Obligation (DBO)		
Defined Benefit Obligation at beginning of the year	1,131	1,107
Current Service cost	48	52
Interest Cost on theDBO	68	73
Settlement cost/ (credit)	-	4
Acquisitions (credit)/ cost - (refer note 49)	2	-
Actuarial (gain)/ loss experience	24	(52)
Actuarial (gain)/ loss financial assumption	(69)	23
Benefits paid directly by the Group	(47)	(44)
Benefits paid from plan assets	(27)	(32)
Defined Benefit Obligation at the end of the year	**1,130**	**1,131**
(b) Change in Fair Value of Plan Assets		
Fair value of assets at the beginning of the year	998	894
Interest Income on plan assets	63	59
Employer's contributions	56	55
Return on plan assets greater/(lesser) than discount rate	42	22
Benefits Paid	(27)	(32)
Fair value of assets at the end of the year	**1,132**	**998**

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(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
(c) Development of Net Balance Sheet Position		
Defined Benefit Obligation, Funded	(1,130)	(1,131)
Fair Value of Plan Assets	1,132	998
Funded Status (surplus/(deficit))	**2**	**(133)**
Funded surplus not recognised - (refer note - n)	(105)	-
Defined Benefit Obligation, Unfunded	-	-
Net defined benefit asset/(liability)	**(103)**	**(133)**
(d) Reconciliation of Net Balance Sheet Position		
Net Defined benefit asset/(Liability)at beginning of the year	(133)	(213)
Service cost	(48)	(52)
Settlement cost/ (credit)$	-	(4)
Net Interest on net defined benefit liability/(asset)	(5)	(14)
Amount recognised in OCI	87	51
Funded surplus not recognised - (refer note - n)	(105)	-
Employer's contributions	56	55
Benefit paid directly by Company	47	44
Acquisitions (credit)/ cost	(2)	-
Net Defined benefit asset/(Liability)at the end of the year	**(103)**	**(133)**
(e) Expense recognised during the year		
Current Service cost	48	52
Settlement cost/ (credit)$	-	4
Net Interest on net defined benefit liability/(asset)	5	14
Net Gratuity Cost	**53**	**70**

$ Settlement cost/(credit) during the year has been accounted under Exceptional Expenses as it pertains to Voluntary Retirement Scheme (VRS) granted at our Mines, Gare Palma (refer note - 37)

	Year ended 31/03/2022	Year ended 31/03/2021
(f) Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	24	(52)
Actuarial (gain)/loss due to DBO assumption changes	(69)	23
Actuarial (gain)/loss arising during the year	**(45)**	**(29)**
Return on Plan Assets(greater)/less than discount rate	(42)	(22)
Funded surplus not recognised - (refer note - n)	105	-
Actuarial (gain)/loss recognised in OCI	**18**	**(51)**

(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
(g) Defined Benefit Cost		
Service Cost	48	56
Net Interest on net defined benefit liability/(asset)	5	14
Actuarial (gain)/loss recognised in OCI	(87)	(51)
Defined Benefit Cost	**(34)**	**19**
(h) Principal Actuarial Assumptions		
Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	7.00%	6.25%
Salary escalation rate	7.50%	7.50%
Weighted average duration of the defined benefit obligation	8 Years	9 Years
Mortality Rate	Indian Assured Lives Mortality 2006-08	

(i) Non-Current and Current portion of Defined Benefit Obligation/(Asset)

(₹ in Crore)

	As at 31/03/2022	As at 31/03/2021
Current portion	5	3
Non-Current portion	98	130
	103	133

(j) Sensitivity Analysis

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
Discount Rate		
Discount rate as at end of the year	7.00%	6.25%
Effect on Defined Benefit Obligation due to 1% Increase in Discount Rate	(82)	(87)
Effect on Defined Benefit Obligation due to 1% Decrease in Discount Rate	94	100
Salary Escalation Rate		
Salary Escalation Rate as at end of the year	7.50%	7.50%
Effect on Defined Benefit Obligation due to 1% Increase in Salary Escalation Rate	92	98
Effect on Defined Benefit Obligation due to 1% Decrease in Salary Escalation Rate	(82)	(87)

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(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
(k) **The Expected Maturity Analysis of Undiscounted Gratuity is as follows:**		
Within 1 year	67	58
from 1 year to 2 Year	101	89
from 2 year to 3 Year	104	98
from 3 year to 4 Year	108	96
from 4 year to 5 Year	113	105
from 5 year to 10 Year	628	587

(l) **Plan Assets Information**

(₹ in Crore)

	As at	
Major categories ofPlan Assets are as under: *	31/03/2022	31/03/2021
Cash and Bank Balances	8.96%	8.96%
Scheme of insurance - conventional product	1.19%	1.19%
Scheme of insurance - ULIP Product	89.85%	89.85%
	100.00%	**100.00%**

* Investment in Plan assets are unquoted.

(m) Expected Contributions to post employment benefit plan of Gratuity for the year ended March 31, 2023: ₹ 70 crore.

(n) The Group has not recognised the surplus in its plan assets of gratuity fund since no future economic benefits are expected in the form of reduction in future contributions to the gratuity plan or refund from the gratuity plan.

(II) Pension and Post Employment Medical Benefits of Novelis Inc, the Group's overseas subsidiary

Obligations related to the Group's overseas operations, relate to: (1) funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K.; (2) unfunded defined benefit pension plans in Germany; (3) unfunded lump sum indemnities payable upon retirement to employees in France, Malaysia and Italy; and (4) partially funded lump sum indemnities in South Korea. These defined benefit plans provide a benefit to eligible employees based on plan provisions, including but not limited to, years of service, compensation, or other vesting criteria. Each of the funded pension plans is governed by an Investment Fiduciary. Other post retirement obligations include unfunded health care and life insurance benefits provided to eligible retired employees in the U.S., Canada, and Brazil. In addition, it provide post employment benefits, including disability, early retirement and continuation of benefits (medical, dental, and life insurance) to eligible former employees.

In connection with the acquisition of Aleris Corporation, the Group acquired postretirement benefit plans covering certain employees in Europe and the United States. Upon acquisition, the Group recognized the funded status of the defined benefit plans as an asset or a liability within other non-current assets or other non-current liabilities in the consolidated balance sheet. The plan assets are recognized at fair value. The group uses various assumptions when computing amounts relating to its defined benefit pension plan obligations and their associated expenses (including the discount rate and the expected rate of return on plan assets).

Compensated absence is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

in Crore)

	Year ended	
	31/03/2022	31/03/2021
(a) **Change in obligation over the year**		
Present Value of defined benefit obligations at the beginning of the year	17,770	16,211
Exchange (gain)/loss on translation	279	212
Current Service Cost	338	439
Interest Cost	406	414
Curtailment cost/ (credit)	(31)	(312)
Plan Settlements	(354)	-
Plans assets on acquisitions	-	1,650
Plan Participants Contribution	38	37
Plan Amendments	(76)	8
Net actuarial (gain)/ loss	(1,328)	(146)
Remeasurement changes in Asset ceiling	28	34
Benefits Paid	(783)	(777)
Present Value of defined obligations at the end of the year	**16,287**	**17,770**
b. **Change in plan Assets (Reconciliation of opening and closing Balance)**		
Fair Value of plan Assets at the beginning of the year	10,732	9,027
Exchange gain/ (loss) on translation	346	107
Plans assumed on acquisitions	-	244
Plan Settlements	(354)	-
Remeasurement - return on plan assets excluding amount included in interest income	(217)	1,114
Interest Income	287	258
Employers' Contributions	633	722
Plan participants contribution	38	37
Benefits Paid	(783)	(777)
Fair value of assets at the end of the year	**10,682**	**10,732**
c. **Reconciliation of fair value of assets & obligations**		
Present value of defined benefit obligations at the end of the year	16,287	17,770
Fair Value of Plan assets at the end of the year	10,682	10,732
Amount recognized in the consolidated balance sheet	**5,605**	**7,038**
Recognized prepaid pension	208	81
Recognized pension liability	5,813	7,119

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(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
d. Expenses recognized during the year		
Current service cost	338	439
Past service cost/ Curtailment (credit)/ Settlement (gain)	(107)	(305)
Interest cost (net)	119	156
	350	**290**

Details of special events during the year:

Pension Plan Freeze:

During current year, Novelis announced the freeze of future benefit accruals under the Canada Pension Plan, effective for union participants as of December 31, 2021 and non-union participants as of December 31, 2023. The Group remeasured the plan's assets and obligations as of April 30, 2021, which was the nearest calendar month-end to the announcement of this freeze. A curtailment gain of ₹ 24 crore (USD 3 million) was recorded in the statement of profit and loss for the year ended March 31, 2022.

Others:

During current year, Novelis entered into an agreement to transfer the liabilities associated with a portion of the retirees and beneficiaries of the Canada Novelis Pension Plan to an insurer through a purchase of buy-out annuities. The premium payment was made to the insurer on August 10, 2021. The Group remeasured the plan's assets and obligations as of July 31, 2021, which was the nearest calendar month-end to the premium payment for this settlement. As a result of this transaction, a settlement gain of ₹ 7 crore (USD 1 million) was recorded for the year ended March 31, 2022.

The Group recognised past service credit comprising plan amendment mentioned in the table above amounting to ₹ 49 crore (USD 7 million) with respect to plans in North America and ₹ 27 crore (USD 4 million) with respect to plans in Europe during the year ended March 31, 2022 within Employee benefits expense in the profit and loss statement.

e. Remeasurement of net defined benefit liability/(asset) (OCI)

(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
Actuarial (gains)/ losses arising from changes in demographic assumptions	(8)	(77)
Actuarial (gains)/ losses arising from changes in financial assumptions	(1,449)	74
Actuarial (gains)/ losses arising from changes in experience adjustments	129	(143)
Remeasurement of net defined benefit liability	**(1,328)**	**(146)**
Remeasurement return on plan assets excluding amount included in interest income	217	(1,114)
Impact of asset ceiling	28	34
Exchange Gain/ (Loss)	(93)	103
	(1,176)	**(1,123)**

(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
f. Composition of Plan Assets		
Equity	2,803	3,520
Fixed Income	6,365	5,792
Real Estate	382	265
Cash and cash equivalent	930	816
Other	202	339
	10,682	**10,732**

g. Sensitivity analysis for each significant actuarial assumption

(₹ in Crore)

	31/03/2022 Approximate (increase)/ decrease		31/03/2021 Approximate (increase)/ decrease	
	Defined Benefits obligation	Post Employment Medical Benefits	Defined Benefits obligation	Post Employment Medical Benefits
Discount Rate				
Increase of 1 percentage	1,997	71	2,331	85
Decrease of 1 percentage	(2,397)	(84)	(2,834)	(101)
Salary Growth Rate				
Increase of 1 percentage	(279)	-	(349)	-
Decrease of 1 percentage	254	-	308	-
Pension Growth Rate				
Increase of 1 percentage	(679)	-	(831)	-
Decrease of 1 percentage	604	-	714	-
Expected future lifetimes(in years) for employees				
Participants assumed to have the mortality rates of individuals who are one year older	(325)	(8)	(363)	(4)
Participants assumed to have the mortality rates of individuals who are one year younger	331	8	376	4
Medical cost trend rates				
Increase of 1 percentage	-	(105)	-	(105)
Decrease of 1 percentage	-	82	-	105

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

h. The principal actuarial assumptions at the reporting dates(expressed as weighted averages) for defined benefit plans

Major categories ofPlan Assets are as under: *	As at	
	31/03/2022	31/03/2021
Discount Rate	1.42% - 4.01%	0.77% - 3.39%
Salary growth Rate	2.65% - 3.50%	2.60% - 3.50%
Expected future lifetimes (in years) for employees		
Pensioners	23	17
Current employees	6 - 11	8 - 11

i. The principal actuarial assumptions at the reporting dates (expressed as weighted averages) for post employment medical benefits

	As at	
	31/03/2022	31/03/2021
Long term increase in health costs	4.29% - 5%	4.29% - 4.88%
Discount rate	2.70% - 8.90%	2.20% - 8.30%

j. Weighted average duration of the defined benefit obligation in years

	As at	
	31/03/2022	31/03/2021
Weighted average duration of the defined benefit obligation in years	8 - 15	8 - 15

k. Expected maturity analysis of undiscounted defined befit plan and post-employment medical benefit plans

(₹ in Crore)

	31/03/2022				31/03/2021			
	Within 1 year	Between 1-2 years	Between 2-5 years	5 to 10 years	Within 1 year	Between 1-2 years	Between 2-5 years	5 to 10 years
Defined benefit plan	743	1,642	2,485	4,532	714	1,547	2,339	4,255
Post employment medical benefit plant	33	83	141	277	36	87	149	298

l. Expected contributions to the defined benefit plans for the year ended March 31, 2023: ₹ 137 crore.

2. Other Defined Benefit and contribution Plans

(A) Other Defined Benefit Plans

(a) Post Retirement Medical Benefit

The Group provides post retirement medical benefit to its certain retired employees in India. The scheme involves reimbursement of expenses towards medical treatment of self and dependents. The amount charged to the Consolidated Statement of Profit and Loss during the year is ₹ 0.32 crore (31/03/2021: ₹ 0.34 crore) and amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is₹ (4) crore (previous year: ₹ (1) crore). The obligation with respect to said scheme as at 31/03/2022 is ₹ 5 crore (year ended 31/03/2021: ₹ 5 crore).

(b) Other Pension Plan

It is a pension benefit provided to erstwhile Managing Director. The amount charged to statement of Profit and Loss during the year is ₹ 3 crore (31/03/2021: ₹ 3 crore). Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is₹ Nil (31/03/2021: ₹ 1 crore).

The obligation with respect to these schemes as at 31/03/2022: ₹ 47 crore (31/03/2021: ₹ 46 crore).

(B) Defined Contribution Plans

(a) Pension

The Group contributes a certain percentage of salary for all eligible employees in India in the managerial cadre towards Superannuation Funds with option to put certain portion in National Pension Scheme (NPS) and/or in funds managed by Birla Sunlife Insurance Company to be converted to annuity of Life Insurance Corporation of India. Junior Pension Plan provided to certain employees is in the nature of defined benefit plan which provides an annuity in the form of pension amount at retirement. The amount charged to the Consolidated Statement of Profit and Loss during the year is ₹ 16 crore (31/03/2021: ₹ 15 crore) and amount of actuarial gain/ (loss) recognised in Other Comprehensive Income during the year is₹ Nil (31/03/2021: ₹ 1 crore).

(b) Provident Fund

The Company's and certain Indian subsidiaries contribution towards Provident Fund managed either by approved trusts or by the Central Government is debited to the Consolidated Statement of Profit and Loss. In respect of provident fund management by the approved trust, these entities have an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These entities also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines.

The amount debited to the Consolidated Statement of Profit and Loss during the year was ₹ 104 crore (31/03/2021: ₹ 103 crore).

Based on actuarial valuation considering this to be in the nature of a defined benefit plan, the Group has recognised obligation as at 31/03/2022 of ₹ Nil (31/03/2021: ₹ 2 crore) towards shortfall on the yield of the trust's investments over the administered interest rates. Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ (4) crore (31/03/2021: ₹ (9) crore).

Sensitivity Analysis:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Provident Fund		
Discount rate		
Effect on DBO due to 1% increase in discount rate	(3)	(3)
Effect on DBO due to 1% decrease in discount rate	4	4
Pension		
Discount rate		
Effect on DBO due to 1% increase in discount rate	(0.01)	(0.1)
Effect on DBO due to 1% decrease in discount rate	0.1	0.1

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Assumption use in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Discount rate	7.00%	6.25%
Expected EPFO (Employees' Provident Fund Organisation) Return	8.10%	8.50%

3. Other Employee Benefit Plans

(a) Leave Obligation

The leave obligation cover the Group's liability for earned leave and sick leave. The entire amount of the provision of ₹ 531 crore (31/03/2021: ₹ 520 crore) is presented as current, since the Group does not have an unconditional right to defer settlement for these obligations. Expected amount towards settlementof Leave for the next 12 months are ₹ 41 crore (31/03/2021: ₹ 36 crore).

31. Power and Fuel

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Power and Fuel Expenses	11,148	8,668
Less: Transferred to Capital Work-in-Progress/Intangible Assets under development	(2)	(1)
	11,146	**8,667**

32. Finance Cost

Refer Note 1B(T) for accounting policy on Borrowing cost

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Interest Expenses on Financial Liabilities not at FVTPL - (a)	3,352	3,760
Interest expense for lease arrangements	56	56
(Gain)/ Loss on Foreign Currency Borrowings (Net)	5	(14)
Loss on Modification and Extinguishment of Debt - (b)	477	125
Other Borrowing Costs - (c)	65	67
	3,955	**3,994**
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development - (d)	(187)	(256)
	3,768	**3,738**

(a) Includes difference between effective interest rate and contracted interest rate of ₹ 76 crore (31/03/2021: ₹ 68 crore) mainly from amortisation of debt issuance cost.

It also includes ₹ 11 crore (31/03/2021: ₹ 6 crore) paid to Income Tax Department.

(b) Loss on modification and extinguishment of debt for the year ended 31/03/2022 is primarily related to refinancing of Senior notes 2026 in August 2021 and prepayment of 2017 Term loan (Refer Note 18A: Borrowings, Non-Current). For the year ended 31/03/2021, it is related to amendment in Short term Credit Agreement and 2017 term loan.

(c) Includes unwinding of discount on Enterprise Social Commitment and Asset Retirement Obligations - (refer Note 22).

(d) The capitalisation rate used to determine the amount of borrowing costs capitalised across the Group ranges between 2.77% to 6.32% (31/03/2021: 3.54% to 6.78%.).

33. Depreciation and Amortisation Expenses

Refer Note 1B(D) -to- (G) for accounting policy on depreciation and amortisation on Property, Plant and Equipment, Investment Property, Intangible Assets (Other than goodwill), and Stripping cost

Refer Note 1B(M) for accounting policy on Leases

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Depreciation of Property, Plant and Equipment	5,515	5,406
Depreciation of Right of Use Assets	345	362
Depreciation of Investment Properties	1	1
Amortisation of Intangible Assets	872	866
	6,733	**6,635**
Less: Transferred to Capital Work-in-Progress	(4)	(7)
	6,729	**6,628**

34. Impairment Loss/ (Reversal) of Non-Current Assets (Net)

Refer Note 1B(J) for accounting policy on Impairment of Non-Current Assets (excluding Goodwill)

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Impairment Loss	155	145
Impairment Reversal	-	(7)
	155	**138**

The Group assess the recoverability of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the Group may not be able to recover the asset's carrying amount. Such events or circumstances include, but are not limited to, a significant decrease in the fair value of the underlying business, change in utilization of property and equipment and intangible assets, or market factors such as metal price and input costs.

If any indication exists and an impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate

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cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and it will be its new cost basis. For a depreciable asset, the new cost basis will be depreciated over the remaining useful life of that asset. For an amortizable intangible asset, the new cost basis will be amortized over the remaining useful life of the asset.

Impairment loss calculations require management to apply judgments in estimating future cash flows to determine asset fair values, including forecasting useful lives of the assets and selecting the discount rate that represents the risk inherent in future cash flows. Impairment charges are recorded in "Impairment Loss/ (Reversal) of Non-Current Assets (Net)" in the Consolidated statement of profit and loss.

For the year ended March 31, 2022, the Group has identified and recognised impairment on its certain non-current assets and the same is summarised in below table:

(₹ in Crore)

	Footnote	Note No.	Year ended 31/03/2022	Year ended 31/03/2021
Break up of Impairment Loss/ (Reversal) recognised during the year:				
(i) Impairment Loss on items of Property, Plant and Equipment	(a), (d)	2	77	71
(ii) Impairment Loss/ (Reversal) on Capital Work-in-Progress (CWIP)	(b)	2 (f)	19	5
(iii) Impairment Loss on Intangible Assets	(d)	5 (d), (e)	-	44
(iv) Impairment Loss on Assets/ Disposal Group Held for Sale	(c), (e)	15, 51	59	18
			155	**138**

(a) During the year, the Group has evaluated operational performance along with current environmental norms of its Di Ammonium Phosphate (DAP) Plant and decided to decommission the same. As a result, the Group has recognized impairment in respect of existing DAP plant amounting to ₹ 77 crore.

(b) During the year, the Group has impaired certain mining assets of ₹ 19 crore which was underutilized due to various reasons such as environmental clearances etc.
Further, during previous year impairment loss has been recognised on CWIP of ₹ 5 crore - refer Note 2 (f)

(c) In December 2021, the Group decided to sell its entire equity interest in its wholly owned Brazilian subsidiary, Hindalco Do Brasil Industria e Comercio de Alumina Ltda ('Hindalco Do Brazil') and assets and liabilities of the same were classified as 'Disposal Group Held for Sale'. Accordingly the Group recognized an impairment loss of ₹ 59 crore ($8 million) on the net assets of Hindalco Do Brazil. - (refer Note 51 for further details)

(d) During the previous year, the Group recognized impairment in respect of certain mining assets in India amounting to ₹ 115 crore on account of operation of these mining assets become unviable due to high cost of production and other operational issues.

(e) During the previous year, the Group recognised impairment of ₹ 25 crore on certain assets classified as "Disposal Group Held for Sale" based on their future utilisation plan.
Further, there was an impairment reversal in Assets Held for Sale in Vietnam to the extent of ₹ 3 crore (USD 0.3 million) and land relating to Ludensheid Germany of ₹ 4 crore (USD 0.5 million) during the previous year.

35. Impairment Loss/ (Reversal) on Financial Assets (Net)

Refer Note 1B(Q) for accounting policy on Financial Instruments

(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
Provision for Doubtful Debts, Loans and Other Financial Assets / (written back) (Net)	10	(31)
Bad Debts Loans and Other Financial Assets/ (written back) (Net)	145	5
	155	**(26)**

36. Other Expenses

(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
Consumption of Stores and Spares	4,467	3,552
Repairs to Buildings	352	238
Repairs to Machinery	2,884	2,364
Rates and Taxes	228	165
Leases Expenses - (a)	307	229
Insurance Charges	392	350
Payments to Auditors	68	90
Research and Development	716	638
Freight and Forwarding Expenses (Net) - (b)	6,564	4,541
Donation - (c)	15	10
Directors' Fees and Commission	17	16
(Gain)/ Loss on assets held for sale	-	3
(Gain)/ Loss on Change in Fair Value of Derivatives (Net)	1,796	450
(Gain) /Loss on Foreign Currency Transactions and Translation (Net)	21	(44)
Miscellaneous Expenses - (d)	7,984	5,878
	25,811	**18,480**
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development	(31)	(28)
	25,780	**18,452**

(a) Details of lease expenses not included in the measurement of lease liabilities:

Short Term Leases	161	111
Variable Lease Payments	129	102
Leases of Low Value Assets	17	16
	307	**229**

(b) Freight and forwarding expenses are net of freight subsidy of ₹ 10 crore (31/03/2021: ₹ 54 crore) on sale of DAP.

(c) Donation includes ₹ 10 crore (31/03/2021: ₹ 10 crore) paid to AB General Electoral Trust towards political donation, out of which ₹ Nil (31/03/2021: of ₹ 10 crore) paid through Electoral Bonds.

(d) Miscellaneous expenses include ₹ 0.10 crore (31/03/2021: ₹ 0.04 crore) paid to a firm of solicitors in which one of the Director of the Company is a partner.

37. Exceptional Income/ (Expenses) (Net)

Refer Note 1B(AC) for accounting policy on Exceptional Items

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Exceptional Income	841	127
Exceptional Expenses	(259)	(619)
	582	**(492)**

Details of Exceptional Income/ (Expenses) are given below:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Exceptional Income		
(a) Recognition of benefit received as a result of multiple favourable rulings from the Brazilian Supreme Court that recognized the right to exclude certain taxes related to Program for Social Integration (PIS) And Contribution for the Financing of Social Security (COFINS) on gross methodology for the years 2009 to 2017, net of litigation cost. (Principal ₹ 367 crore ($ 50 million); Interest ₹ 241 crore ($ 33 million); Litigation cost ₹ (9) crore ($ 1 million)).	599	-
(b) Gain of sale of controlling interest (90% equity ownership) in Saras Micro Devices, Inc. by Novel-is. As part of this transaction the Group has received total consideration of ₹ 112 crore ($ 15 million). (refer Note 51 B)	112	-
(c) Recognition of benefit received as a result of favourable rulings regarding tax rebates for sales to Manaus, Brazilian Free Trade Zone (Reintegra). (Principal ₹ 60 crore ($ 8 million); Interest ₹ 25 crore ($ 4 million)).	85	-
(d) Reversal of Employee severance cost pursuant to restructuring program in a manufacturing unit in Novelis, Germany.	45	-
(e) Renewable Energy Certificates (REC) recognised subsequent to approval received from Odisha Electricity Regulatory Commission (OERC) permitting adjustment of excess REC purchased during earlier years against future Renewable Power Obligation (RPO) and reversal of excess Renewal Power Obligation (RPO) provision related to FY20 subsequent to Madhya Pradesh Electricity Regulatory Commission (MPERC) order.	-	127
	841	**127**
Exceptional Expenses		
(f) Loss on sale of a wholly owned subsidiary, 'Hindalco do Brasil' - (refer note 51)	(152)	-
(g) Pursuant to the notification by Ministry of Environment, Forest and Climate Change (MoEFCC), the Group has recognised a provision for expected cost of disposal of legacy ash lying in ash dykes/ponds as at December 31, 2021. The above provision is estimated based on the plan for disposal of ash and stabilisation of ash dykes/ponds (subject to approval of Pollution Control Board) considering feasibility of extraction of ash from ash dykes/ponds.	(107)	-

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
(h) Charitable Donation to support COVID 19 pandemic relief measures	-	(395)
(i) Employee severance cost pursuant to restructuring program in a manufacturing unit in Novelis Germany and in a mining operation in India	-	(131)
(j) Exgratia amount paid to the employees for their contribution during COVID 19 pandemic	-	(54)
(k) Provision related to Additional Surcharge (ASC) and Cross Subsidy Surcharge (CSS) levied on the Company due to failure of the captive power producer (from whom the Company sourced power in earlier years) to comply with the captive status criteria under Central Electricity Act, 2003	-	(39)
	(259)	**(619)**

38. Other Comprehensive Income/ (Loss)

The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

(₹ in Crore)

	Year ended					
	31/03/2022			31/03/2021		
	Gross	Tax	Net	Gross	Tax	Net
(i) Items that will not be reclassified to Statement of Profit and Loss (Net)						
Remeasurement of Defined Benefit Obligation	1,172	(289)	883	1,117	(308)	809
Remeasurement of Defined Benefit Obligation of Discontinued Operations	-	-	-	60	(9)	51
Change in Fair Value of Equity Instruments designated as FVTOCI	1,211	(248)	963	4,358	(10)	4,348
Share in Equity Accounted Investments	-	-	-	-	-	-
	2,383	**(537)**	**1,846**	**5,535**	**(327)**	**5,208**
(ii) Items that will be reclassified to Statement of Profit and Loss (Net)						
Change in Fair Value of Debt Instruments Designated as FVTOCI	(9)	3	(6)	(9)	3	(6)
Effective portion of Cash Flow Hedges	(4,867)	1,403	(3,464)	(1,769)	501	(1,268)
Cost of Hedging Reserve	(75)	26	(49)	(168)	59	(109)
Foreign Currency Translation Reserve	525	-	525	959	-	959
	(4,426)	**1,432**	**(2,994)**	**(987)**	**563**	**(424)**
Total Other Comprehensive Income/ (loss)	**(2,043)**	**895**	**(1,148)**	**4,548**	**236**	**4,784**

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39. Earnings Per Share (EPS)

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Profit/ (Loss) for the year from Continuing Operations		
As per Consolidated Statement of Profit and Loss	14,201	5,182
Less: Non-Controlling Interests in Profit/ (Loss)	-	-
Profit/ (Loss) from Continuing Operations attributable to Owners of the Company	**14,201**	**5,182**
Profit/ (Loss) for the year from Discontinued Operations		
As per Consolidated Statement of Profit and Loss	(471)	(1,699)
Less: Non-Controlling Interests in Profit/ (Loss)	-	-
Profit/ (Loss) from Discontinued Operations attributable to Owners of the Company	**(471)**	**(1,699)**
Profit/ (Loss) attributable to Owners of the Company from Continuing and Discontinued Operations	**13,730**	**3,483**
Weighted average number of equity shares for calculation of EPS:		
Weighted average number of equity shares for Basic EPS	2,224,071,351	2,224,224,042
Dilutive impact of Employee Stock Options Scheme	2,968,669	1,172,360
Weighted average number of equity shares for Diluted EPS	2,227,040,020	2,225,396,402
Face value of per Equity Share (₹)	1.00	1.00
Earnings Per Share		
Basic - Continuing Operations (₹)	63.85	23.30
Diluted - Continuing Operations (₹)	63.77	23.29
Basic - Discontinued Operations (₹)	(2.12)	(7.64)
Diluted - Discontinued Operations (₹)	(2.12)	(7.64)
Basic - Continuing and Discontinued Operations (₹)	61.73	15.66
Diluted - Continuing and Discontinued Operations (₹)	61.65	15.65

Treasury shares are excluded from weighted-average numbers of equity shares used as a denominator in the calculation of EPS.

Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. 538,978 shares (31/03/2021: 4,295,432 shares) options granted under Employee Stock option scheme but were not included in the calculation of diluted earnings per share because they are antidilutive for the period. Options can potentially dilute basic earnings per share in the future depending on future share price of the Company. The stock options have not been included in the determination of basic earnings per share. The details relating to stock options are under Note 41.

40. Segment Information:

Refer Note 1B(AB) for accounting policy on Segment Reporting

Description of each of the reporting segments is as under:

i. Aluminium Segment: This segment represents Aluminium business of the Company and subsidiaries of the Company namely, Utkal Alumina International Limited, Hindalco Almex Aluminium Limited, Suvas Holdings Limited and Minerals and Minerals Limited.

ii. Copper Segment: This segment represents Copper Business of the Company and subsidiaries of the Company namely, Birla Copper Asoj Private Limited and Dahej Harbour and Infrastructure Limited.

iii. Novelis Segment: This segment represents Novelis Inc, a wholly owned foreign subsidiary, engaged in producing and selling aluminium sheet and light gauge products and operating in all four continents viz. North America, South America, Europe and Asia. This is identified as a separate reportable segment based on its geographical area and regulatory environment.

iv. All Other Segment: This segment represents remaining subsidiaries of the Group which are not part of the above segments.

The chief operating decision maker (CODM) primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

During the year, in line with the changes in the internal structure for reporting financial information to the entity's chief operating decision maker (CODM), the Group has changed its segment disclosure related to segment performance for Aluminium and Copper segments in the consolidated financial statements as per Ind AS 108 "Operating Segments". Corporate expenses and certain other items of income/expenses like (gain)/loss on disposals of property, plant and equipment (PPE), re-structuring expenses, etc., which were previously included as a part of segment performance of Aluminium and Copper segments are now excluded from segment performance of these segments as these are not considered to be directly related to operations of Aluminium and Copper segments. There is no change in the measure of performance with respect to 'Novelis Segment' and 'All Other Segments'. The corresponding segment information of previous year has been restated accordingly.

A. Segment Profit or Loss:

Segment's performance are measured based on Segment EBITDA. Segment EBITDA is defined as under:

For Aluminium segment and Copper segment:

Segment EBITDA is "Earnings before Finance Costs, Exceptional Income / (Expenses), Tax Expenses, Depreciation and Amortization, Impairment of Non-Current Assets, Investment Income, Fair value gains/ (losses) on financial assets, share in profit/ (loss) in equity accounted investments, Corporate Income/ (Expenses) and certain Unallocable Income/ (Expenses) which are not related to the performance of the segment".

For Novelis segment:

For Novelis segment the Group uses "adjusted EBITDA" as its Segment income measurement. Adjusted EBITDA is earnings before (a) depreciation and amortization; (b) finance cost - net; (c) interest income; (d) unrealized gains or losses on change in fair value of derivative instruments, net, except for foreign currency remeasurement hedging activities, which are included in segment income; (e) impairment loss or reversal on non financial assets, net; (f) gain or loss on extinguishment of debt; (g) restructuring costs; (h) profit or loss on plant property and equipment and intangibles sold or discarded, net; (h) other costs/income, net; (j) litigation settlement, net of insurance recoveries; (k) sale transaction fees; (l) cumulative effect of accounting change, net of tax; (m) metal price lag; (n) exceptional income or cost; (o) business acquisition and other integration related costs; (p) purchase price accounting adjustments; and (q) gains or losses from discontinued operations, net of tax which is in line with the segment information for Novelis that has been reported in accordance with its US GAAP financial information filed with the Securities Exchange Commission of the United States of America. Recognition and measurement differences between US GAAP and Ind AS accounting policies have been separately identified as part of reconciliation in the segment information. Gains and losses on metal derivative contracts are not recognized in "Segment income" until realized.

For All Other segments:

This segment represents remaining subsidiaries of the Group which are the separate legal entities. For this Segment EBITDA is "Earnings before Finance Costs, Exceptional Income / (Expenses), Tax Expenses, Depreciation, Amortization and Impairment of Non-Current Assets and certain expenditure not directly related to operations".

Segment EBITDA are as follows:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Novelis	15,229	12,727
Aluminium	13,025	5,441
Copper	1,390	869
All Other Segments	26	26
Total Segment EBIDTA	**29,670**	**19,063**

Segment EBITDA reconciles to Profit/ (Loss) before Tax from Continuing and Discontinued Operations as follows:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Total Segment EBIDTA	29,670	19,063
Finance Cost	(3,768)	(3,738)
Depreciation and Amortization	(6,729)	(6,628)
Impairment Loss/ (Reversal) of Non-current Assets (Net)	(155)	(138)
Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)	6	5
Exceptional Income / (Expenses) (Net) *	164	(492)
Interest Income	146	118
Dividend Income	32	25
Gains/ (losses) on Financial Investments Measured at FVTPL (Net)	359	542
Adjustment on account of different accounting policies for Novelis Segment	323	585
Other Unallocated Income/ (Expenses) (Net)	(474)	(1,437)
Profit/ (Loss) before Tax from Continuing Operations	**19,574**	**7,905**
Profit/ (Loss) before Tax from Discontinued Operations	(464)	(2,066)
Profit/ (Loss) before Tax from Continuing and Discontinued Operations	**19,110**	**5,839**

* Exceptional Income / (Expenses) for the year ended March 31, 2022, exclude ₹ 418 crore which represents the principal portion of (a) PIS/COFINS related tax credit income in Brazil ₹ 358 crore (net of litigation cost of ₹ 9 crore) and (b) tax rebates for sales to Manaus, Brazilian Free Trade Zone ₹ 60 crore, as it is included in the results of Novelis segment.

Following amount are either included in the measure of segment profit or loss reviewed by the CODM or are regularly provided to the CODM:

(₹ in Crore)

	Year ended				
	31/03/2022				
	Novelis	Aluminium	Copper	All Others	Total
Interest Income - (a)	-	24	55	-	79
Gains/ (losses) on Financial Assets Measured at FVTPL (Net)	-	-	-	-	-
Depreciation and Amortization - (b)	4,581	1,913	178	16	6,688
Impairment Loss/ (Reversal) of Non-Current Assets (Net) - (b)	-	19	76	-	95

	Year ended 31/03/2021				
	Novelis	Aluminium	Copper	All Others	Total
Interest Income - (a)	-	18	45	-	63
Gains/ (losses) on Financial Assets Measured at FVTPL (Net)	-	-	-	1	1
Depreciation and Amortization - (b)	4,570	1,836	167	19	6,592
Impairment Loss/ (Reversal) of Non-Current Assets (Net) - (b)	(2)	140	-	-	138

(a) Represents interest income from customers/ security deposits etc. which are included in the measure of segment profit or loss.

(b) Not included in the measure of segment profit or loss but provided to the CODM.

Due to change in measurement of segments performance, segment EBITDA for "Aluminium Segment" and "Copper Segment" have increased with corresponding change in "Unallocable Income/ (Expense) (Net)" as under:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Aluminium Segment	793	586
Copper Segment	196	153
Unallocable Income/ (Expense) (Net)	(989)	(739)

B. Segment Revenue:

For all reportable segments except Novelis, the segment revenue is measured in the same way as measured in the Statement of Profit and Loss.

In case of Novelis segment, CODM reviews its financial performance as those are reported under US GAAP, accordingly Novelis segment revenue is measured as the revenue reported under US GAAP financial reporting. The difference between 'Segment Revenue' reported under USGAAP and 'Revenue' reported under Ind AS together with any adjustment item identified between US GAAP and Ind AS is shown as "Adjustment on account of different accounting policies for Novelis Segment".

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Sales between operating segments are eliminated on consolidation. Segment Revenue and reconciliation of the same with total revenue as follows:

(₹ in Crore)

	Year ended					
	31/03/2022			31/03/2021		
	Segment Revenue	Inter-segment Revenue	Revenue from external customers	Segment Revenue	Inter-segment Revenue	Revenue from external customers
Novelis	127,747	-	127,747	91,130	-	91,130
Aluminium	32,169	29	32,140	20,518	15	20,503
Copper	36,723	26	36,697	22,446	14	22,432
All Other Segments	279	-	279	230	-	230
Adjustment on account of different accounting policies for Novelis Segment	(1,804)	-	(1,804)	(2,287)	-	(2,287)
Total	**195,114**	**55**	**195,059**	**132,037**	**29**	**132,008**

During the year ended March 31, 2022, there are two customers having more than 10% of the Group's total revenue or more than 10% of either of the reportable segments revenue.
Novelis's ten largest customers accounted for approximately 54% and 55% of its segment's total "Revenue from operations" for the year ended March 31, 2022 and 2021, respectively, out of which one major customer contributes to 17% (₹ 22,037 crore) (31/03/2021: 16%, ₹ 13,781 crore) of the Novelis segment's total "Revenue from Operations".

Similarly in Copper segment also, one of the customer contributes more than 10% (₹ 4,282 crore) (31/03/2021: ₹ 2,250 crore) of the Copper segment's total "Revenue from Operations".

The Group's operations are located in India and outside India. The amount of its revenue from external customers analysed by the country in which customers are located irrespective of origin of the goods or services are given below:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
India	46,553	28,898
Outside India	148,506	103,110
	195,059	**132,008**

C. Segment Assets:

For Aluminium segment and Copper segment, segment assets are allocated based on the operations of the segment and the physical location of the asset. However, certain assets like investments, equity accounted investments, loans, assets classified as held for sale, current and deferred tax assets are not considered to be segment assets as they are managed at corporate level. Further, corporate administrative assets of an entity having operation which are part of more than one reporting segments are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

For Novelis segment, segment assets of are measured at the amount of total assets of Novelis Inc. as reported under US GAAP financial reporting. The difference between 'Segment Assets' reported under USGAAP and 'Total Assets' reported under Ind AS together with any adjustment items identified between US GAAP and Ind AS is shown as "Adjustment on account of different accounting policies for Novelis Segment".

In case of All Other segments, Segment assets are measured in the same way as in the financial statements and all the assets are part of this segment as this segments represents the aggregation of subsidiaries which are the separate legal entities and not part of any of above reportable segments.

Segment assets and reconciliation of the same with total assets as follows:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Novelis	114,539	94,141
Aluminium	51,280	48,430
Copper	19,407	14,982
All Other Segments	415	486
Total Segment Assets	**185,641**	**158,039**
Investment Property	8	7
Investments (Non-Current and Current)	13,863	16,857
Equity Accounted Entities	51	46
Adjustment on account of different accounting policies for Novelis Segment	12,743	12,602
Assets of Discontinued Operations	46	107
Other Corporate Assets	10,710	2,088
Total Assets	**223,062**	**189,746**

Following amount are either included in the measure of segment assets reviewed by the CODM or are regularly provided to the CODM:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Investment Property	13	14
Investments (Non-Current and Current)	205	230

During the year ended 31/03/2022, capital expenditure relating to Novelis, Aluminium, Copper and All Other Segments are ₹ 3321 crore, ₹ 1784 crore, ₹ 225 crore and ₹ 79 crore, respectively (31/03/2021: ₹ 3903 crore, ₹ 1405 crore, ₹ 193 crore and ₹ 12 crore, respectively).

Investment in associates and joint ventures accounted for by the equity method are not allocated to any of the reportable segment.

The total of Non-Current assets excluding goodwill, financial assets, equity accounted investments and deferred tax assets analysed by the country in which assets are located are given below.

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
India	43,540	43,463
Outside India - (a)	45,999	45,220
	89,539	**88,683**
(a) Major geography wise break up of non-current asset located outside India:		
United States	22,342	21,495
Asia and Other Pacific	7,342	6,968
Brazil	6,714	6,686
Canada	363	365
Germany	4,294	4,583
Rest of Europe	4,944	5,123
	45,999	**45,220**

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D. Segment Liabilities:

For Aluminium segment and Copper segment, Segment liabilities are allocated based on the operations of the segment. In measurement of Aluminium and Copper segment's liabilities, items like borrowings, current and deferred tax liabilities, liabilities associated with assets classified as held for sale etc. are not considered to be segment liabilities as they are managed at corporate level. Further, corporate administrative liabilities of an entity having operation which are part of more than one reporting segments are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

In case of Novelis segment, segment liabilities are measured at the amount of all the liabilities of Novelis Inc., except borrowings, as reported under US GAAP financial reporting. The difference between 'Segment Liabilities' reported under USGAAP and 'Total Liabilities' reported under Ind AS together with any adjustment items identified between US GAAP and Ind AS is shown as "Adjustment on account of different accounting policies for Novelis Segment".

In case of All Other segments, Segment liabilities are measured in the same way as in the financial statements and all the liabilities except borrowings are part of this segment.

Segment liabilities and reconciliation of the same with total liabilities as follows:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Novelis	53,458	36,733
Aluminium	9,763	6,565
Copper	11,541	8,091
All Other Segments	6	156
Total Segment Liabilities	**74,768**	**51,545**
Adjustment on account of different accounting policies for Novelis Segment	1,454	1,553
Liabilities of Discontinued Operations	93	119
Borrowings (Non-Current and Current)	63,235	65,978
Other Corporate Liabilities	5,310	4,008
Total Liabilities	**144,860**	**123,203**

41. Employee Share-Based Payments

Refer Note 1B(W) for accounting policy on Employee Share-based Payments

The Group has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Group as well as to motivate them to contribute to its growth and profitability. The Group views employee stock options as instruments that would enable the employees to share the value they create for the Group in the years to come. At present four employee share-based payment schemes are in operation at Hindalco Industries Limited, the Parent, whereas three employee share-based payment schemes are in operation at Novelis Inc., a subsidiary of the Company. Details of these employee share-based schemes are given below:

A. Employee share-based payments at Parent

(a) Employee Stock Option Scheme 2006 ("ESOS 2006"):

The shareholders of the Company has approved on 23/01/2007 an Employee Stock Option Scheme 2006 ("ESOS 2006") under which the Company may grant 3,475,000 stock options to its permanent employees in the management cadre, whether working in India or out of India, including Managing and the Whole Time Directors of the Company, in one or more tranches. The ESOS 2006 is administrated by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). Each stock option when exercised would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The stock options will vest in 4 equal annual instalments after completion of one year of service from the date of grant. The exercise price shall be average price of the equity shares of the Company in the immediate preceding seven day period on the date prior to the date on which the ESOS compensation committee finalises the specific numbers of Options to be granted to the employees discounted by such percentage not exceeding 30 % (thirty percent) to be determined by ESOS Compensation Committee in the best interest of the various stake holders in the prevailing market conditions. The maximum period of exercise is 5 years from the date of vesting and these stock options do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options are also available for grant. Further, on 23/09/2011 the ESOS 2006 has been partially modified and by which the Company may grant 6,475,000 stock options to its eligible employees.

Under the ESOS 2006, till 31/03/2022 the Committee has granted 4,328,159 stock options (31/03/2021: 4,328,159 stock options) to its eligible employees out of which 1,819,941 stock options (31/03/2021: 1,819,941 stock options) has been forfeited/ expired and are available for grant as per term of the Scheme. A summary of movement of the stock options and weighted average exercise price (WAEP) is given below:

	Year ended			
	31/03/2022		31/03/2021	
	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at beginning of the year	391,304	118.73	456,956	118.73
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(391,304)	118.73	(65,652)	118.73
Expired during the year	-	-	-	-
Outstanding at year end	-	-	391,304	118.73
Vested and Exercisable at year end	-	-	391,304	118.73

Under ESOS 2006, as at 31/03/2022 the range of exercise prices for stock options outstanding was ₹ Nil (31/03/2021: ₹ 118.73) whereas the weighted average remaining contractual life for the stock options outstanding was Nil (31/03/2021: 1.02 years).

The weighted average share price at the date of exercise of ESOS 2006 was ₹ 428.07 per share (31/03/2021: ₹ 173.25 per share).

(b) Employee Stock Option Scheme 2013 ("ESOS 2013"):

The shareholders of the Company has approved on 10/09/2013 an Employee Stock Option Scheme 2013 ("ESOS 2013"), under which the Company may grant up to 5,462,000 Options (comprising of Stock Options and/ or Restricted Stock Units (RSU)) to the permanent employees in the management cadre and Managing and Whole time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The stock options exercise price would be determined by the Committee, whereas the RSUs exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock option/ RSU do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options and RSUs are also available for grant.

In terms of ESOS 2013, till 31/03/2022 the Committee has granted 2,250,754 stock options and 2,252,254 RSUs (31/03/2021: 2,250,754 stock options and 2,252,254 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 301,381 stock options and 213,095 RSUs (31/03/2021: 296,996 stock options and 202,063 RSUs) have been forfeited/ expired and are available for grant as per term of the Scheme.

A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

	Year ended							
	31/03/2022				31/03/2021			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at beginning of the year	110,700	132.68	55,691	1.00	415,944	124.82	235,718	1.00
Granted during the year	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	(37,086)	144.19	(8,776)	1.00
Re-instated during the year	-	-	-	-	-	-	-	-
Exercised during the year	(80,067)	132.52	(17,106)	1.00	(224,657)	119.02	(171,251)	1.00
Expired during the year	(4,385)	119.45	(11,032)	1.00	(43,501)	119.45	-	-
Outstanding at year end	26,248	135.39	27,553	1.00	110,700	132.68	55,691	1.00
Vested and Exercisable at year end	26,248	135.39	27,553	1.00	110,700	132.68	55,691	1.00

Under ESOS 2013, the range of exercise prices for stock options outstanding as at 31/03/2022 was ₹ 119.45 to ₹ 167.15 (31/03/2021: ₹ 119.45 to ₹ 167.15) whereas exercise price in case of RSUs was ₹ 1 (31/03/2021: ₹ 1). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2022 was 1.09 years and 2.73 years, respectively (31/03/2021: 1.51 years and 2.54 years, respectively).

The weighted average share price at the date of exercise of ESOS 2013 was ₹ 460.52 per share (Number: ₹ 220.69 per share).

(c) Employee Stock Option Scheme 2018 ("ESOS 2018"):

The shareholders of the company has approved on 21/09/2018 an Employee Stock Option Scheme 2018 ("ESOS 2018"), formulated by the company, under which the Company may grant not more than 13,957,302 (Stock Options and Restricted Stock Units) to its permanent employees of the company in management cadre including Managing and the Whole-time Director of the company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee") and the Hindalco Employees Welfare Trust ("Trust"). The Stock options exercise price would be determined by the Committee whereas the RSU exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of Re. 1/- each of the Company upon payment of exercise price during the exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options and RSUs are also available for grant.

In terms of ESOS 2018, till 31/03/2022 the Committee has granted 7,062,503 stock options and 1,981,539 RSUs (31/03/2021: 5,189,519 stock options and 1,368,979 RSUs) to the eligible employees of the Company and some of its subsidiary companies. A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

	Year ended							
	31/03/2022				31/03/2021			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at beginning of the year	4,277,702	226.06	1,279,318	1.00	4,448,494	217.95	1,297,506	1.00
Granted during the year	1,872,984	448.89	612,560	1.00	582,240	278.05	20,487	1.00
Forfeited during the year	17,719	278.05	-	-	(692,325)	218.31	(38,675)	1.00
Re-instated during the year	(155,816)	306.39	(59,936)	1.00	-	-	-	-
Exercised during the year	(687,701)	224.10	(191,267)	1.00	(60,707)	218.80	-	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at year end	5,324,888	302.51	1,640,675	1.00	4,277,702	226.06	1,279,318	1.00
Vested and Exercisable at year end	2,370,953	228.84	966,695	1.00	1,565,967	218.60	46,058	1.00

Under ESOS 2018, the range of exercise prices for stock options outstanding as at 31/03/2022 was ₹ 159.30 to ₹ 453.95 (31/03/2021: ₹ 159.30 to ₹ 278.05) whereas exercise price in case of RSUs was ₹ 1 (31/03/2021: ₹ 1). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2022 was 5.29 years and 5.50 years (31/03/2021: 5.43 years and 5.84 years) respectively.

The weighted average share price at the date of exercise of ESOS 2018 was ₹ 509.37 per share (31/03/2021: ₹ 332.87 per share).

The fair values at grant date of stock options granted during the year ended 31/03/2022 was ₹ 176.04 to ₹ 220.36 (31/03/2021: ₹ 144.57 to ₹ 181.09) and fair values in case of RSUs was ₹ 419.15 to ₹ 435.62 (31/03/2021: ₹ 269.56) respectively. The fair valuation has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest for terms of options.

The details of options granted, the key assumptions for Fair Value on the date of grant are as under:

(₹ in Crore)

	Year ended						
	31/03/2022				31/03/2021		
	Tranche VII		Tranche VIII		Tranche V		Tranche VI
	Stock Option	RSU	Stock Option	RSU	Stock Option	RSU	Stock Option
Grant date	06/08/2021	06/08/2021	12/11/2021	12/11/2021	10/2/2021	10/2/2021	10/2/2021
Exercise price (₹)	443.25	1.00	453.95	1.00	278.05	1.00	278.05
Expected terms of options granted (years)	4.43-6.43 yrs	6-8 years	4.43-6.43 yrs	6-8 years	4.43-7.43 yrs	8 years	4.43 yrs
Share price on grant date (₹)	443.10	443.10	453.95	453.95	279.40	279.40	279.40
Expected volatility (%)	41.10%	41.10%	41.45%	41.45%	59.50%	59.50%	59.50%
Expected dividend (%)	0.68%	0.68%	0.66%	0.66%	0.36%	0.36%	0.36%
Risk free interest rate (%)	5.64% - 6.22%	6.12% - 6.54%	5.54% - 6.12%	6.01% - 6.44%	5.46% - 6.17%	6.27%	5.46%

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted which is indicative of future periods and which may not necessarily be the actual outcome.

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(d) Stock Appreciation Rights 2018 ('SAR 2018'):

The Company till 31/03/2022 had granted 156,694 Option SAR and 50,665 RSU SAR (31/03/2021: 95,815 Option SAR and 20,514 RSU SAR) under the Share Appreciation Rights Scheme 2018 ("SAR 2018") to its eligible employees. Option SAR to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant and RSU SAR will vest upon completion of three years of services from the date of grant. The SAR 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The SAR 2018 have performance linked vesting conditions which are decided by the committee and are cash settled. The options shall lapse in case of performance linked vesting conditions are not met. The range of exercise price of the Option SAR is ₹ 159.30 to ₹ 443.25 and RSU SAR is ₹ 1 (31/03/2021: Option SAR is ₹ 159.30 to ₹ 278.05 and RSU SAR is ₹ 1).

A Summary of movement of SAR 2018 and weighted average exercise price (WAEP) is given below:

	As at							
	31/03/2022				31/03/2021			
	Option SAR		RSU SAR		Option SAR		RSU SAR	
	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at beginning of the year	76,652	215.00	20,514	1.00	44,668	218.80	11,333	1.00
Granted during the year	60,879	255.50	30,151	1.00	51,147	203.79	9,181	1.00
Forfeited during the year	-	-	-	-	(19,163)	193.97	-	-
Re-instated during the year	-	-	-	-	-	-	-	-
Exercised during the year	(39,604)	223.29	(20,669)	1.00	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at year end	97,927	236.82	29,996	1.00	76,652	215.00	20,514	1.00
Vested and Exercisable at year end	47,115	218.80	13,565	-	11,167	218.80	-	-

The fair values per Option SAR as at 31/03/2022 was ₹ 248.38 to ₹ 440.84 (31/03/2021: ₹ 144.97 to ₹ 232.47) and for RSU SAR as at 31/03/2022 was ₹ 552.96 to ₹ 560.60 (31/03/2021: ₹ 321.21 to ₹ 322.35). The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest. The assumptions used for fair valuation are given below:

	Year ended					
	31/03/2022					
Grant date	26/03/2019	09/08/2019	12/06/2020	12/06/2020	10/02/2021	06/08/2021
Valuation Date	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Exercise price (₹)	1.00	218.80	159.30	1.00	278.05	218.80
Expected volatility (%)	40.05%	40.05%	40.05%	40.05%	40.05%	40.05%
Expected dividend (%)	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
Risk free interest rate (%)	5.40%	5.72%	5.37% - 6.18%	5.40% - 5.82%	5.34%	5.72%

	Year ended					
	31/03/2022					
Grant date	06/08/2021	06/08/2021	12/11/2021	12/11/2021	12/11/2021	12/11/2021
Valuation Date	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Exercise price (₹)	278.05	1.00	218.80	278.05	443.25	1.00
Expected volatility (%)	40.05%	40.05%	40.05%	40.05%	40.05%	40.05%
Expected dividend (%)	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
Risk free interest rate (%)	5.34%	5.40% - 5.57%	5.26% - 5.72%	5.34%	5.57% - 6.30%	5.26% - 6.30%

	Year ended					
	31/03/2021					
Grant date	26/03/2019	09/08/2019	09/08/2019	12/06/2020	12/06/2020	10/02/2021
Valuation Date	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021
Exercise price (₹)	1.00	218.80	1.00	159.30	1.00	278.05
Expected volatility (%)	50.90%	50.90%	50.90%	50.90%	50.90%	50.90%
Expected dividend (%)	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
Risk free interest rate (%)	5.45%	4.27%- 5.70%	5.34%	5.43%- 6.05%	5.45%-5.78%	5.41%

The weighted average remaining contractual life as at 31/03/2022 for the Option SAR is 2.70 to 5.35 years (31/03/2021: 1.69 to 5.92 years) and for RSU SAR is 2.70 to 5.35 years (31/03/2021: 3.70 to 4.92 years).

The total intrinsic value at the end of the year of the vested Option SAR and RSU SAR is ₹ 2.42 crore (31/03/2021 ₹ 0.12 crore).

B. Employee share-based payments schemes at Novelis Inc ("Novelis"), a subsidiary of the Group:

The Novelis's Board of Directors has authorized long term incentive plans (LTIPs), under which Hindalco stock appreciation rights (Hindalco SARs), Novelis stock appreciation rights (Novelis SARs), phantom restricted stock units (Phantom RSUs), and Novelis Performance Units (Novelis PUs) are granted to certain executive officers and key employees.

The Hindalco and Novelis SARs vest at the rate of 33% per year, subject to the achievement of an annual performance target, and expire seven years from their original grant date. The performance criterion for vesting of the Hindalco and Novelis SARs is based on the actual overall Novelis operating EBITDA compared to the target established and approved each fiscal year. The minimum threshold for vesting each year is 75% of each annual target operating EBITDA. Each Hindalco SAR is to be settled in cash based on the difference between the market value of one Hindalco share on the date of grant and the market value on the date of exercise. Each Novelis SAR is to be settled in cash based on the difference between the fair value of one Novelis phantom share on the original date of grant and the fair value of a phantom share on the date of exercise. The amount of cash paid to settle Hindalco and Novelis SARs are limited to three times the target pay out, depending on the plan year. The Hindalco and Novelis SARs do not transfer any shareholder rights of Hindalco or Novelis to a participant. The Hindalco and Novelis SARs are classified as liability awards and are re-measured at each reporting period until the SARs are settled or cancelled. Novelis expenses each fiscal year's SAR tranche(s) over the employee requisite service period, which results in the expense being recorded on an accelerated basis.

The Phantom RSUs are based on Hindalco's stock price. The Phantom RSUs vest either in full three years from the grant date or 33% per year over three years, subject to continued employment with Novelis, but are not subject to performance criteria. Each Phantom RSU is to be settled in cash equal to the market value of one Hindalco share. The pay out on the Phantom RSUs is limited to three times the market value of one Hindalco share measured on the original date of grant. The Phantom RSUs are classified as liability awards and expensed over the employee requisite service period (three years) based on the Hindalco stock price as of each balance sheet date.

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In May 2016, the Novelis's board of directors approved the issuance of Novelis PUs which have a fixed USD 100 value per unit and will vest in full three years from the grant date, subject to specific performance criteria compared to the established target. The Novelis PUs awards are not based on the Hindalco or Novelis stock prices and therefore are accounted for in accordance with Ind AS 19 - Employee Benefits.

(a) Hindalco Stock Appreciation Rights (Hindalco SARs)

	Year ended			
	31/03/2022		31/03/2021	
	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at beginning of the year	13,038,526	158	12,441,966	177
Granted during the year	2,411,503	388	6,934,923	118
Forfeited during the year	(187,780)	177	(465,886)	180
Exercised during the year	(6,976,625)	177	(5,872,477)	151
Expired during the year	-	-	-	-
Outstanding at year end	8,285,624	208	13,038,526	158
Vested and Exercisable at year end	393,803	164	3,220,946	197

(b) Novelis Stock Appreciation Rights (Novelis SARs)

	Year ended			
	31/03/2022		31/03/2021	
	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at beginning of the year	10,165	6,025	33,393	6,532
Granted during the year	-	-	-	-
Forfeited during the year	(4,933)	7,032	(3,349)	5,366
Exercised during the year	(1,660)	6,200	(19,879)	6,781
Expired during the year	-	-	-	-
Outstanding at year end	3,572	4,868	10,165	6,025
Vested and Exercisable at year end	3,572	4,868	10,165	6,025

(c) Phantom Restricted Stock Units (Phantom RSUs)

	Year ended			
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	Number	WAEP (₹)	Number	WAEP (₹)
Outstanding at beginning of the year	7,236,419	-	4,747,316	-
Granted during the year	1,787,910	-	5,016,919	-
Forfeited during the year	(266,713)	-	(124,447)	-
Exercised during the year	(3,343,896)	-	(2,403,369)	-
Expired during the year	-	-	-	-
Outstanding at year end	5,413,720	-	7,236,419	-

(d) Particulars of share based payment

i. Carrying amount and intrinsic value of liabilities given below:

(₹ in Crore)

	Year ended			
	31/03/2022		31/03/2021	
	Total carrying amount at the end of the year for liabilities	Total intrinsic value at the end of the year of liabilities (vested portion)	Total carrying amount at the end of the year for liabilities	Total intrinsic value at the end of the year of liabilities (vested portion)
Hindalco SAR	113	18	118	60
Novelis SAR	1	1	3	4
Phantom RSU	176	-	145	-
	290	19	266	64

ii. Number of options exercised and the weighted average exercise price given below:

	Year ended			
	31/03/2022		31/03/2021	
	Number of options exercised	Weighted average exercise price	Number of options exercised	Weighted average exercise price
Hindalco SAR (price in ₹)	6,976,625	177	5,872,477	151
Novelis SAR (price in ₹)	1,660	6,200	19,879	6,781
Phantom RSU (price in ₹)	3,343,896	-	2,403,369	-

(e) Unrecognised compensation expense

	Year ended			
	31/03/2022		31/03/2021	
	(₹ in Crore)	Period over which expense will be recognised (in years)	(₹ in Crore)	Period over which expense will be recognised (in years)
Hindalco SAR	41	2	37	2
Novelis SAR	-	-	-	-
Phantom RSU	73	2	78	2

(f) Inputs to the model used to determine fair value are as under:

	Year ended			
	31/03/2022		31/03/2021	
	Hindalco SAR	Novelis SAR	Hindalco SAR	Novelis SAR
Risk free interest rate (%)	3.59% - 6.58%	0.23% -0.23%	3.32% - 6.18%	0.03% - 0.08%
Dividend yield (%)	0.48%	0.00%	0.32%	-
Volatility (%)	39.49% - 49.69%	28.96% - 28.96%	40.4% - 57.1%	28.2% - 45.1%
Source of historical volatility	Hindalco historical volatility	Comparable companies	Hindalco historical volatility	Comparable companies
Model used	Monte Carlo Simulation Model	Monte Carlo Simulation Model	Monte Carlo Simulation Model	Monte Carlo Simulation Model

The weighted average remaining contractual life as at 31/03/2022 for the Hindalco SAR is 5 years (31/03/2021: 5 years) and Novelis SAR is less than one year (31/03/2021: 1 year).

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C. Effect of employee share-based payment transactions on profit or loss for the year and on financial position:

For the year ended 31/03/2022, the Group recognised expenses of ₹ 35 crore (31/03/2021: expenses of ₹ 15 crore) related to equity-settled share based transactions, whereas ₹ 307 crore as expenses (31/03/2021: expenses ₹ 286 crore) towards cash-settled share based transactions accounted for as part of Employee Benefits Expenses. (refer Note 30)

During the year ended 31/03/2022, the Company has allotted 488477 fully paid-up equity share of ₹ 1/- each of the Company (31/03/2021: 461560) on exercise of equity settled options for which the Group has realised ₹ 6 crore (31/03/2021: ₹ 3 crore) as exercise prices.

42. Related party transactions

The Group's related parties principally consist of its associates, joint ventures, other related parties and its key managerial personnel. The Group routinely enters into transactions for sale and purchase of products and rendering and receiving services with these related parties. Transactions and balances between the Parent, subsidiaries and fellow subsidiaries and trusts, which are related parties of the Company, have been eliminated on consolidation. List of all the related parties to be included in consolidated related parties disclosures and details of transactions and balances between the Group and other related parties are disclosed below:

(A) List of Related Parties with joint control and significant influence:

	Name of the Related Party	Principal Place of Business
(a)	**Joint Ventures:**	
	1. MNH Shakti Limited	India
	2. Hydromine Global Minerals (GMBH) Limited	British Virgin Islands
(b)	**Associates:**	
	1. Aditya Birla Science & Technology Company Pvt. Limited	India
	2. Aditya Birla Renewable Subsidiary Limited	India
	3. Aditya Birla Renewable Utkal Limited	India
	4. Aditya Birla Renewable Solar Limited	India
	5. France Aluminum Recyclage SPA.	France
	6. Deutsche Aluminum Verpachung Recycling GMBH	Germany

(B) Key Managerial Personnel:

	Name of the Related Party	Relationship
1	Mr. Satish Pai - Managing Director	Executive Directors
2	Mr. Praveen Maheshwari -Whole time Director & Chief Financial Officer	Executive Directors
3	Mr. Kumar Mangalam Birla	Non Executive Directors
4	Smt. Rajashree Birla	Non Executive Directors
5	Mr. D Bhattacharya (Resigned w.e.f. 2nd March, 2022)	Non Executive Directors
6	Mr. A.K.Agarwala	Non Executive Directors
7	Mr. K.N. Bhandari	Non Executive Directors
8	Mr. Y.P. Dandiwala	Non Executive Directors
9	Mr. Anant Maheshwari	Non Executive Directors
10	Ms. Alka Bharucha	Non Executive Directors
11	Dr. Vikas Balia	Non Executive Directors
12	Mr. Sudhir Mital	Non Executive Directors

(C) Other Related Parties with whom there were transactions during the year:

	Name of the Related Party	Relationship
1	Hindalco Employee's Gratuity Fund, Kolkata	Post-Employment Benefit Plan
2	Hindalco Employee's Gratuity Fund, Renukoot	Post-Employment Benefit Plan
3	Hindalco Employee's Provident Fund Institution, Renukoot	Post-Employment Benefit Plan
4	Hindalco Superannuation Scheme, Renukoot	Post-Employment Benefit Plan
5	Hindalco Industries Limited Employees' Provident Fund II	Post-Employment Benefit Plan
6	Hindalco Industries Limited Senior Management Staff Pension Fund II	Post-Employment Benefit Plan
7	Aditya Birla Management Corporation Private Limited @	Other related party in which Director is Interested

@ The Company and its subsidiary, Utkal Alumina International Limited, are members of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support charged on cost basis.

(D) The following transactions were carried out with the related parties in the ordinary course of business

(₹ in Crore)

	Nature of Transaction/Relationship	Year ended 31/03/2022	31/03/2021
i.	**Services rendered**	**15**	**10**
	Other related party in which Director is interested	15	10
ii.	**Interest and dividend received**		
	Interest received	**2**	**2**
	Associates	2	2
iii.	**Purchase of Materials, Capital Equipment and Others**	**25**	**20**
	Associates	25	20
iv.	**Contribution to**	**213**	**208**
	Post-Employment Benefit Plan	213	208
v.	**Services received**	**615**	**433**
	Associates	17	16
	Other related party in which Director is interested	598	417
vi.	**Investments, Deposits and Loans**		
	Investments made during the year	**8**	**-**
	Associates	8	-
	Investments, Deposits and Loans, returned back during the year	**12**	**5**
	Associates	4	5
	Joint Ventures	8	-

(E) Outstanding Balances

(₹ in Crore)

Nature of Transaction/Relationship	Year ended 31/03/2022	31/03/2021
Receivables and Advances	**106**	**102**
Other related party in which Director is interested	106	102
Payables	**81**	**38**
Associates	2	2
Other related party in which Director is interested	79	36
Loans and Deposits (Given)	**36**	**41**
Associates	36	41

All outstanding balances are unsecured and are payable in cash.

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(F) Compensation of Key Managerial Personnel of the Company

(₹ in Crore)

		Year ended	
		31/03/2022	31/03/2021
(a)	**Remuneration of Executive Directors - (i) and (ii)**	**54**	**30**
	Short term employment benefit	52	28
	Post employment benefits	2	2
(b)	**Remuneration to erstwhile Managing Director - (iii)**	**4**	**4**
	Post-employment benefits	4	4
(c)	**Remuneration of Non Executive Directors**	**9**	**8**
	Commission and Sitting Fees	9	8

(i) Excludes amortisation of fair value of employee share-based payments under Ind AS 102.

(ii) As the liabilities for defined benefit plans and leave entitlements are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

(iii) The Board approved pension of Mr. D. Bhattacharya of ₹ 0.335 crore per month and other post-employment benefits for his past service when he was the Managing Director of the Company. The present value of the above pension liability determined based on the actuarial valuation is accounted by the Group in the consolidated financial statements. Amount charged as expenses in the consolidated statement of profit and loss during the year towards such post-employment benefit amounting to ₹ 3 crore (31/03/2021: ₹ 3 crore) has been disclosed as a part of managerial remuneration above, and does not include the impact of actuarial (gains)/losses recognised in other comprehensive income.

43. Contingent Liabilities and Commitments

Refer Note 1B(L) for accounting policy on Provisions and Contingencies

A. Contingent Liabilities

The Group is party to, and may in the future be involved in, or subject to, disputes, claims and proceedings arising in the ordinary course of our business, including some we assert against others, such as environmental, health and safety, product liability, employee, tax, personal injury and other matters. The Group has established a liability with respect to contingencies for which a loss is probable and estimable. While the ultimate resolution of and liability and costs related to these matters cannot be determined with certainty, the Management does not believe any of these pending actions, individually or in the aggregate, will materially impact our operations or materially affect our financial condition or liquidity.

The Group's estimates involve significant judgment, and therefore, the estimate will change from time to time and actual losses may differ from the current estimate. Management review the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The evaluation model includes all asserted and unasserted claims that can be reasonably identified including claims relating to our responsibility for compliance with environmental, health and safety laws and regulations in the jurisdictions in which the Group operate or formerly operated. The estimated costs in respect of such reported liabilities are not offset by amounts related to insurance or indemnification arrangements unless otherwise noted.

The amount for which the Group is contingently liable are given below:

(₹ in Crore)

		As at	
		31/03/2022	31/03/2021
(a)	**Claims against the Group not acknowledged as debt**		
	Tax matters - Direct Taxes - (i)	5	2
	Tax matters - Indirect Taxes - (ii)	693	640
	Legal and Other matters - (iii)	224	300

(i) Tax matters - Direct Taxes:

The Group has ongoing disputes with direct tax authorities in various tax jurisdictions relating to tax treatment of certain items in the Company and some of its subsidiaries. These mainly include claims disallowed, tax treatment of certain items of income/expense, use of certain tax incentives or allowances, etc. in their tax computation.

(ii) Tax matters - Indirect Taxes:

There are pending litigations for various matters relating to customs, excise duty and service tax, VAT across various entities in the Group involving demands, including interest and penalties.

(iii) Legal and Other matters:

In addition to above matters certain Group companies are involved in several other legal claims including revenue matters, environmental matters, civil and Labour matters.

(b)	**Other money for which the Group is contingently liable:**		
(i)	Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled.	24	-

(c) For contingent liabilities relating to associates and joint ventures, if any, are given in Note 48 D and 48 E.

B. Commitments

(₹ in Crore)

		As at	
		31/03/2022	31/03/2021
	The Group's commitments with regard to various items in respect of:		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	1,122	818
(b)	Purchase commitments in relation to Materials and Services (net of advances)	95,946	73,924
(c)	The Company has given the following undertaking in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary:		
	- To hold minimum 51% equity shares in UAIL.		

44. Capital Management

The Group's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (total borrowings + lease liabilities) to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

	As at	
	31/03/2022	31/03/2021
Debt Equity ratio	0.82	1.01

As at March 31, 2022 and March 31, 2021, the Group was in compliance with all of its debt covenants for borrowings.

45. Financial Instruments

Refer Note 1B(Q) for accounting policy on Financial Instruments

A Fair Value Measurements

(a) The following table shows the carrying amount of financial assets and financial liabilities by category.

(₹ in Crore)

	Note No.	As at					
		31/03/2022			31/03/2021		
		Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Financial Assets							
Investments in Equity Instruments	6A & 6B						
Quoted Equity Instruments		-	8,239	-	-	7,398	-
Unquoted Equity Instruments		-	48	-	-	30	-
Investments in Preference Shares	6A & 6B	-	-	24	-	-	25
Investments in Debt Instruments	6A & 6B						
Mutual Funds		-	-	5,230	-	-	9,085
Bonds & Debentures		-	-	152	-	-	164
Government Securities		-	375	-	-	385	-
Cash & Cash Equivalents	13						
Cash & Bank		10,977	-	-	7,570	-	-
Liquid Mutual Funds		-	-	662	-	-	769
Bank Balances other than cash & cash equivalents	14	5,753	-	-	470	-	-
Trade receivables	12	20,340	-	736	12,725	-	287
Loans	7	57	-	-	59	-	-
Derivatives	46	-	-	3,671	-	-	1,751
Other financial assets	8A & 8B	2,537	-	380	1,539	-	819
Total Financial Assets		**39,664**	**8,662**	**10,855**	**22,363**	**7,813**	**12,900**

(₹ in Crore)

	Note No.	As at					
		31/03/2022			31/03/2021		
		Amortised Cost	Fair value through OCI	Fair value through P&L	Amortised Cost	Fair value through OCI	Fair value through P&L
Financial Liabilities							
Borrowings	18A & 18B						
Borrowings, Non-Current		51,635	-	-	58,985	-	-
Borrowings, Current		11,600	-	-	6,993	-	-
Lease Liabilities	2	1,251	-	-	1,228	-	-
Supplier's Credit	19	2,456	-	-	255	-	-
Trade Payables	20	36,309	-	5,073	23,464	-	4,771
Derivatives	46	-	-	11,121	-	-	4,028
Other financial Liabilities	21A & 21B	3,746	-	-	2,664	-	-
Total Financial Liabilities		**106,997**	**-**	**16,194**	**93,589**	**-**	**8,799**

(b) The following table shows fair value for financial assets and financial liabilities measured at amortised cost.

(₹ in Crore)

	Note No.	As at			
		31/03/2022		31/03/2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets (Non-Current)					
Loans and Deposits	7 & 8A	428	428	340	340
Financial Liabilities (Non-Current)					
Borrowings, Non-Current #	18A	57,814	57,667	59,907	62,130

Fair values for current financial assets and financial liabilities have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

Carrying amount includes current portion of debt shown under short term borrowing and excludes deferred payment liabilities.

Fair Value of borrowings does not include interest accrued but not due.

The Company had acquired certain equity instruments for purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorized as FVTOCI.

(C) Derecognition of Investments in Equity Instruments designated at FVTOCI

(₹ in Crore)

	Year ended			
	31/03/2022		31/03/2021	
	Fair value on the date of derecognition	Cumulative gain or loss on disposal	Fair value on the date of derecognition	Cumulative gain or loss on disposal
Investment in Equity Instrument- Quoted				
National Aluminium Company Limited	388	303	-	-
Total	**388**	**303**	**-**	**-**

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B Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(a) Financial assets and liabilities measured at fair value - Recurring fair value

(₹ in Crore)

	Note No.	As at 31/03/2022 Level 1	31/03/2022 Level 2	31/03/2022 Level 3	31/03/2021 Level 1	31/03/2021 Level 2	31/03/2021 Level 3
Financial Assets							
Investments in Equity Instruments	6A & 6B						
Quoted Equity Instruments		8,239	-	-	7,398	-	-
Unquoted Equity Instruments		-	-	48	-	-	30
Investments in Preference Shares	6A & 6B	-	24	-	-	25	-
Investments in Debt Instruments	6A & 6B	-	-	-	-	-	-
Mutual Funds		5,228	2	-	9,081	4	-
Bonds & Debentures		-	-	152	-	77	87
Government Securities		235	140	-	262	123	-
Cash & Cash Equivalents	13						
Liquid Mutual Funds		662	-	-	769	-	-
Trade Receivables	12	-	736	-	-	287	-
Derivatives	46	-	3,671	-	-	1,751	-
Other Financial Assets	8A & 8B	-	-	380	-	-	819
Total Financial Assets		**14,364**	**4,573**	**580**	**17,510**	**2,267**	**936**
Financial Liabilities							
Derivatives	46	-	11,121	-	-	4,012	16
Trade Payables	20	-	5,073	-	-	4,771	-
Total Financial Liabilities		**-**	**16,194**	**-**	**-**	**8,783**	**16**

(b) Financial assets and liabilities measured at amortised cost for which fair value disclosure is given

(₹ in Crore)

	Note No.	As at 31/03/2022 Level 1	31/03/2022 Level 2	31/03/2022 Level 3	31/03/2021 Level 1	31/03/2021 Level 2	31/03/2021 Level 3
Financial Assets							
Loans and Deposits	7 & 8A	-	-	428	-	-	340
Financial Liabilities							
Borrowings, Non-Current	18A	-	57,667	-	-	62,130	-

Level 1: Hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2: Hierarchy includes financial instruments that are not traded in active market. This includes over the counter (OTC) derivatives, close ended mutual funds and debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in Level 2. Borrowings have been fair valued using credit adjusted interest rate prevailing on the reporting date. Trade Receivables and Payables that are realigned based on forward LME/LBMA price movements have been included in Level 2 hierarchy.

Level 3: If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants. Valuations for certain derivatives for which forward prices are not observable, have been valued using forward prices for a nearby geographical market and adjusted for historical spreads between cash prices of the two markets.

(c) Disclosure of changes in level 3 items for the period ended 31/03/2022 and 31/03/2021 respectively

(₹ in Crore)

	Unquoted Equity Instruments	Unquoted Debt Instruments	Derivatives	Contingent Consideration	Total
As at April 01, 2020	**35**	**224**	**(48)**	**-**	**211**
Sale	-	(49)	(13)	-	(62)
Sale of Business	-	-	-	802	802
Gain/(losses) recognised in Profit or loss	-	2	42	20	64
Gain/(losses) recognised in OCI	(5)	-	2	-	(3)
Exchange difference	-	-	1	(3)	(2)
Transfer from Level 1 & 2	-	6	-	-	6
Transfer to Level 1 & 2	-	(96)	-	-	(96)
As at March 31, 2021	**30**	**87**	**(16)**	**819**	**920**
Acquisitions	22	-	-	-	22
Sale	-	(10)	(44)	-	(54)
Sale of Business	-	-	-	-	-
Gain/(losses) recognised in Profit or loss	-	8	47	-	55
Gain/(losses) recognised in OCI	(4)	-	13	-	9
Mark down to fair value	-	-	-	(454)	(454)
Exchange difference	-	-	-	15	15
Transfer from Level 1 & 2	-	67	-	-	67
Transfer to Level 1 & 2	-	-	-	-	-
As at March 31, 2022	**48**	**152**	**-**	**380**	**580**
Unrealised Gain/ (loss) recognised in profit and loss relating to assets and liabilities held at the end of reporting period:					
As at March 31, 2022	-	-	9	-	9
As at March 31, 2021	-	-	5	-	5

Transfers from level 1 and 2 to level 3 and out of level 3 for unquoted debt instruments is based on unavailability/availability of market observable inputs as on the reporting date. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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Valuation Process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Management of the Group has set up a team in the finance department which performs the valuation of financial assets and liabilities.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The team reports findings to the Management of the Group to explain the cause of fluctuations in the fair value of the assets and liabilities.

Valuation techniques used for valuation of instruments categorised as level 3.

For valuation of investments in equity shares which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done by considering the net worth of the Company and price to book multiple to arrive at the fair value. In cases where income approach was feasible valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process.

For valuation of investments in debt securities categorised as level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

Forward prices are not observable for Oswego, New York facility and electricity swaps which is derived based on forward prices of a geographically nearby market with adjustments for historical spreads of cash prices between the two markets. Valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations.

Contingent Consideration is recognised based on discounted value of amount estimated to be receivable. Discount rate used for determination are based on credit risk of the purchaser. Refer Note 50 on Discontinued Operations.

46. Financial Risk Management and Derivative Financial Instruments

Refer Note 1B(R) for accounting policy on Derivatives and Hedge Accounting

A Financial Risk Management

The Group's activities exposes it to various risks such as market risk, liquidity risk and credit risk. This section explains the risks which the Group is exposed to and how it manages the risks.

(a) Market Risk

i Commodity Price Risk

Hindalco's India Operations consist of two businesses – Copper Business and Aluminium Business. The Copper Business works under a "Custom Smelting" model wherein the focus is to improve the processing margin. The timing mis-match risk between the input and output price, which is linked to the same international pricing benchmark, is eliminated through use of derivatives. This off-set hedge model (through use of derivatives) is used to manage the timing mis-match risk for both Commodity (Copper and Precious Metals) and Currency Risk (primarily, USD/INR). The Copper Business also has a portion of View Based exposure for both Commodity and Currency, beyond the above timing mis-match risk. Lower Copper Prices, Stronger USD/INR exchange rate and Higher "Other Input" Prices (eg. Coal, furnace oil, natural gas etc) are the major price risks that adversely impact the business. Here, the Company may use derivative instruments, wherever available, to manage these pricing risks. A variety of factors, including the risk appetite of the business and price view, are considered while taking Hedging Decisions. Such View based hedges are usually done for the next 1-8 quarters.

The Aluminium Business is a vertically integrated business model wherein the input and output pricing risks are independent of each other, i.e. – are on different pricing benchmarks, if any. Here, the Group may use derivative instruments, wherever available, to manage its pricing risks for both input and output products. Lower Aluminium Prices, Stronger USD/INR exchange rate and Higher Input Prices (e.g. Alumina, Furnace Oil, Coal, Electricity, Natural Gas, Diesel Fuel) are the major price risks that adversely impact the business. Hedging decisions are based on a variety of factors, including risk appetite of the business and price View. Such Hedge decisions are usually done for the next 1-15 quarters.

Embedded Derivatives

Copper concentrate is purchased on future pricing model based on month's average LME (in case of copper) / LBMA (in case of gold and silver). Since, the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to inventory.

Novelis business model is conducted under a conversion model which allows us to pass through increases or decreases in the price of aluminium to our customers . Derivative instruments are used to preserve conversion margins and manage timing differences associated with metal price lag related to base aluminium price. Novelis also uses several sources of energy such as natural gas, electricity, fuel oil and transport oil in manufacturing and delivery of its products.

The table below summarises the gain/(loss) impact on account of increase in the commodity prices on the Group's equity and profit for the period.

(₹ in Crore)

	Price Index	Increase in Rate/Price	Year ended			
			31/03/2022		31/03/2021	
			Change in Statement of Profit & Loss	Change in Other Components of Equity	Change in Statement of Profit & Loss	Change in Other Components of Equity
Aluminium	LME	10%	(34)	(2,528)	(45)	(1,325)
Copper	LME	10%	(847)	-	(686)	(24)
Gold	LBMA/ MCX	10%	(136)	-	(104)	-
Silver	LBMA	10%	(10)	-	(19)	-
Zinc	LME	10%	2	-	4	-
Local Market Premium	Midwest Premium/ European Duty Paid	10%	-	-	(2)	-
Coal	API IV	10%	-	-	-	-
Furnace Oil	AG Platts	10%	-	-	-	6
Electricity	National Grid/ NYMEX	10%	-	-	-	4
Natural Gas	ICE Brent/ Henry NYMEX	10%	1	29	1	18
Diesel Fuel	EIA Flat Tax On-Highway	10%	-	12	-	8

Decrease in prices by 10% will have equal and opposite impact in financial statements. Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the outstanding derivative position as on the reporting date by assuming all other factors constant.

ii Foreign Currency Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR) and Euro, the Swiss franc, the Brazilian real and the Ko e portion of revenues are denominated in the Euro, the Group benefits as the franc weakens but is adversely affected as the franc strengthens. In South Korea, for local currency

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operating costs and U.S. dollar denominated selling prices for exports, the Group benefits as the won weakens but are adversely affected as the won strengthens. In Brazil, where the Group has predominately U.S. dollar selling prices and local currency manufacturing costs, it benefits as the real weakens, but is adversely affected as the real strengthens.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, is as follows:

Unhedged Foreign Currency Payable / (Receivable) (₹ in Crore)

Currency Pair	As at	
	31/03/2022	31/03/2021
USD	-	29
GBP	281	(2)
NOK	1	1
CAD	19	12
AUD	-	-
CHF	348	11
BRL	-	(14)
JPY	(3)	(4)
	646	33

Assets and liabilities that are naturally hedged against future transactions are excluded for the purpose of above disclosure.

The table below summarises the gain/(loss) impact on account of increase/decrease in the exchange rates on the Group's equity and profit for the period.

(₹ in Crore)

Currency Pair	Increase in Rate/ Price	Year ended			
		31/03/2022		31/03/2021	
		Change in Statement of Profit & Loss	Change in Other Components of Equity	Change in Statement of Profit & Loss	Change in Other Components of Equity
USD_INR	10%	(13)	(1,158)	32	(1,110)
EUR_INR	10%	-	-	4	1
EUR_USD	10%	121	89	291	146
BRL_USD	10%	80	117	34	68
KRW_USD	10%	138	322	91	244
CAD_USD	10%	9	15	9	18
GBP_USD	10%	304	-	13	-
CHF_USD	10%	(27)	25	24	4
CNY_USD	10%	12	-	35	-
GBP_CHF	10%	6	-	6	-
EUR_CHF	10%	244	45	190	37
EUR_GBP	10%	170	-	137	-
EUR_CNY	10%	1	-	9	3
EUR_KRW	10%	1	1	1	2

Decrease in prices by 10% will have equal and opposite impact in financial statements.Sensitivity analysis has been computed by stress testing the market price of the underlying currency index on the outstanding derivative position and unhedged exposure as on the reporting date by assuming all other factors constant.

iii Interest Rate Risk

a The Group is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates. Such interest rate risk is actively evaluated and interest rate swap is taken whenever considered necessary.

The Group is also exposed to interest rate risk on its financial assets that include fixed deposits, bonds , debentures, commercial papaer, mutual funds and liquid investments comprising mainly mutual funds (which are part of cash and cash equivalents). Since, all these are generally for short durations, the Group believes it has manageable and limited interest rate risk.

The table below summarises the (gain)/loss impact on account of increase in the benchmark interest rates on the Group's equity and profit for the period.

(₹ in Crore)

	Increase in Rate/Price	Year ended			
		31/03/2022		31/03/2021	
		Change in Statement of Profit & Loss	Change in Other Components of Equity	Change in Statement of Profit & Loss	Change in Other Components of Equity
Interest rate on floating rate borrowings	100 bps	(193)	-	(210)	-

Decrease in rates by 100 bps will have equal and opposite impact in financial statements.

b Interbank Offered Rates (IBOR) Reform

The following table contains details of all financial instruments that are referenced to IBOR which have not yet transitioned to an alternative interest rate benchmark (ARR):

Non-derivative assets and liabilities	IBOR Exposure	Carrying Value (₹ in Crore)	Alternative Interest Rate Benchmark
Long Term Foreign Currency Borrowings	USD 1M-6M LIBOR	9,371	Secured Overnight funding Rate (SOFR)
Short Term Foreign Currency Borrowings	USD 1M LIBOR	114	

Derivatives

The Group does have any interest rate hedges outstanding as on the reporting date, accordingly IBOR related impact on hedge accounting including discounting of other derivatives is not expected to be material.

iv Equity Price Risk

The Group's exposure to equity securities price risk arises from movement in market price of related securities classified either as fair value through OCI or as fair value through profit and loss. The Group manages the price risk through diversified portfolio.

The table below summarises the gain/(loss) impact on account of increase in the equity share prices on the Group's equity and profit for the period.

(₹ in Crore)

	Increase in Rate/Price	Year ended			
		31/03/2022		31/03/2021	
		Change in Statement of Profit & Loss	Change in Other Components of Equity	Change in Statement of Profit & Loss	Change in Other Components of Equity
Investment in Equity securities	10%	-	728	-	656

Decrease in prices by 10% will have equal and opposite impact in financial statements.Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date.

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(b) Liquidity Risk

The Group determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain investments (including mutual fund) which provide flexibility to liquidate at short notice and are included in current investments and cash and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed periodically.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

(i) Financing Arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crore)

	As at	
	As at 31/03/2022	31/03/2021
Bank Overdraft and other facilities	15,197	10,734

Undrawn limit has been calculated based on the available drawing power and sanctioned amount at each reporting date.

(ii) Maturity Analysis

The table below shows the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net settled derivative financial instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Crore)

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Total	Carrying Value
Contractual maturities of financial liabilities as at March 31, 2022						
Non Derivatives						
Borrowings #	14,132	3,099	23,001	39,516	79,748	63,235
Lease liabilities	348	360	461	1,042	2,211	1,251
Supplier's credit	2,459	-	-	-	2,459	2,456
Trade payables	41,382	-	-	-	41,382	41,382
Other financial liabilities	3,607	13	-	126	3,746	3,746
Total Non Derivative liabilities	**61,928**	**3,472**	**23,462**	**40,684**	**129,546**	**112,070**
Derivatives	10,649	464	10	-	11,123	11,121
Total Derivative liabilities	**10,649**	**464**	**10**	**-**	**11,123**	**11,121**

(₹ in Crore)

	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years	Total	Carrying Value
Contractual maturities of financial liabilities as at March 31, 2021						
Non Derivatives						
Borrowings #	9,235	15,625	13,505	44,402	82,767	65,978
Lease liabilities	357	244	433	725	1,759	1,228
Supplier's credit	255	-	-	-	255	255
Trade payables	28,235	-	-	-	28,235	28,235
Other financial liabilities	2,531	10	-	123	2,664	2,664
Total Non Derivative liabilities	**40,613**	**15,879**	**13,938**	**45,250**	**115,680**	**98,360**
Derivatives	3,603	400	28	4,031	4,028	
Total Derivative liabilities	**3,603**	**400**	**28**	**-**	**4,031**	**4,028**

Includes Principal and interest payments, short term borrowings, current portion of debt and excludes unamortised fees.

Total cash outflow for leases for year ended 31/03/2022 is ₹ 720 crore (31/03/2021: is ₹ 631 crore), includes ROU Lease payment, Short term lease and Low value lease - (refer note 18A(g) and 36).

(c) Credit Risk

Credit risks is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed on an group basis. The Group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating risk of financial loss from defaults. The Group invests only in those instruments issued by high rated banks/ institutions and government agencies. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group's investments in debt instruments and certain loans are considered as low risk investments. The credit ratings of the investments are monitored for credit deterioration.

For some trade receivables the Group obtains security in the form of guarantees, deed of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

For other financial assets, the Group assesses and manages credit risk based on the credit rating. The Group has assessed its other financial assets as high quality, negligible credit risk. The Group periodically monitors the recoverability and credit risks of its other financials assets including security deposits and other receivables. The Group evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Group considers life time expected credit losses for the purpose of impairment provisioning.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

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Movement in the allowance for doubtful debts :

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Balance at beginning of the year	(77)	(109)
Impairment losses (recognised)/ reversed on receivables	(10)	32
Amounts written off during the period as uncollectible	3	-
Foreign exchange translation gains and losses	-	-
Balance at end of the year	**(84)**	**(77)**

B Derivative Financial Instruments

The Group uses derivative financial instruments such as forwards, futures, swaps, options etc. to hedge its risks associated with foreign exchange fluctuation. Risks associated with fluctuation in the price of the products (copper, aluminium, coal, furnace oil, natural gas, electricity, diesel and precious metals) are minimized by undertaking appropriate derivative instruments. Derivatives embedded in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

The Group also applies hedge accounting using certain foreign currency non-derivative monetary items which are used as hedging instruments for hedging foreign exchange risk.

(a) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ in Crore)

Current	Nature of Risk being Hedged	As at			
		31/03/2022		31/03/2021	
		Liability	Asset	Liability	Asset
Cash flow hedges					
Commodity contracts	Price Risk	(6,829)	257	(1,730)	72
Foreign currency contracts	Exchange rate movement risk	(220)	441	(147)	179
Fair value Hedges		-	-	-	-
Commodity contracts	Price Risk	(175)	59	(99)	285
Foreign currency contracts	Exchange rate movement risk	(12)	1	(10)	-
Embedded derivatives (i)	Price Risk	(489)	5	(411)	120
Non-designated hedges		-	-	-	-
Commodity contracts	Price Risk	(3,226)	2,435	(1,405)	797
Foreign currency contracts	Exchange rate movement risk	(195)	172	(210)	162
Total		**(11,146)**	**3,370**	**(4,012)**	**1,615**
Non - current					
Cash flow hedges		-	-	-	-
Commodity contracts	Price Risk	(442)	51	(391)	10
Foreign currency contracts	Exchange rate movement risk	(5)	235	(31)	224
Non-designated hedges		-	-	-	-
Commodity contracts	Price Risk	(16)	18	(5)	22
Foreign currency contracts	Exchange rate movement risk	(1)	1	-	-
Total		**(464)**	**305**	**(427)**	**256**
Grand Total		**(11,610)**	**3,675**	**(4,439)**	**1,871**

(i) Fair Value net Loss of Embedded Derivatives of ₹ (484) crore (31/03/2021: net Loss ₹ 291 crore) accounted for as part of Trade Payables.

(b) Outstanding position and fair value of various foreign exchange derivative financial instruments:

	Currency Pair	As at					
		31/03/2022			31/03/2021		
		Average exchange rate	Notional Value (in Million)	Fair Value Gain/ (Loss) ((₹ Crore))	Average exchange rate	Notional Value (in Million)	Fair Value Gain/ (Loss) ((₹ Crore))
Foreign Currency Forwards							
Cash flow hedges							
Buy	CHF_EUR	0.94	93	30	0.93	68	(13)
Buy	USD_CHF	0.91	27	-	0.89	3	(1)
Buy	BRL_USD	0.17	275	245	0.18	223	(91)
Buy	EUR_USD	1.18	219	(72)	1.21	116	(19)
Buy	USD_CAD	1.25	24	-	1.28	28	4
Buy	USD_KRW	1,176.23	657	(131)	1,129.30	490	(12)
Buy	EUR_CNY	-	-	-	7.91	4	-
Buy	EUR_INR	-	-	-	90.82	1	-
Buy	EUR_KRW	-	1	-	-	4	-
Sell	USD_INR	81.22	1,196	380	81.45	1,069	357
Total				**452**			**225**
Fair value hedges							
Buy	USD_INR	76.85	189	(11)	74.45	159	(10)
Total				**(11)**			**(10)**
Non-Designated							
Buy	EUR_INR	98.96	0	-	88.57	8	(1)
Buy	GBP_INR	-	-	-	98.46	0	-
Buy	USD_INR	77.04	0	-	72.98	28	1
Buy	GBP_EUR	1.19	269	(12)	1.14	214	39
Buy	USD_KRW	1,198.22	282	(21)	1,108.75	184	(29)
Buy	EUR_USD	1.19	290	(65)	1.33	232	(49)
Buy	GBP_USD	1.35	33	6	1.35	19	(3)
Buy	USD_CHF	0.92	9	-	0.89	17	(6)
Buy	CAD_USD	0.80	16	1	0.72	16	11
Buy	USD_BRL	4.89	187	27	5.88	107	9
Buy	EUR_KRW	-	2	-	-	2	-
Buy	CHF_GBP	0.82	9	(1)	0.78	9	1
Buy	CHF_EUR	0.98	503	32	0.95	345	(17)
Buy	USD_CNY	6.32	77	3	6.84	99	(1)
Buy	EUR_CNY	7.33	2	-	8.04	12	(1)
Buy	SGD_INR	-	-	-	55.85	1	-
Sell	USD_INR	76.35	182	7	73.07	51	(2)
Total				**(23)**			**(48)**
Grand Total				**418**			**167**

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(c) Outstanding position and fair value of various foreign exchange non-derivative financial instruments used as hedging instruments:

	Note No.	Currency Pair	As at 31/03/2022 Average exchange rate	31/03/2022 Notional Value (in Million)	31/03/2022 Fair Value Gain/ (Loss) (₹ in Crore)	As at 31/03/2021 Average exchange rate	31/03/2021 Notional Value (in Million)	31/03/2021 Fair Value Gain/ (Loss) (₹ in Crore)
Foreign currency monetary items								
Cash flow hedges								
Debt	18B	USD_INR	74.55	185	(25)	73.13	580	11
Liability for Copper Concentrate								
Host Liability		USD_INR	75.51	695	(19)	72.84	680	(19)
Supplier Credit	19	USD_INR	74.77	324	(39)			
Total					(83)			(8)

(d) Outstanding position and fair value of various commodity derivative financial instruments

i Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2022:

		Currency	Average Price/ Unit	Quantity	Unit	Notional value (in Million)	Fair Value Gain/ (Loss) (₹ in Crore)
Commodity Futures/Forwards/Swaps							
Cash Flow Hedge							
Aluminium	Sell	USD	3,165	1,366,316	MT	4,234	(7,199)
Aluminium	Buy	USD	3,481	6,074	MT	21	20
Copper	Sell	USD	-	-	MT	-	-
Furnace Oil	Buy	USD	-	-	MT	-	-
Diesel Fuel	Buy	USD	5	4,014,924	Gallons	21	26
Natural gas	Buy	USD	6	10,596,346	MMBtu	59	190
Electricity	Buy	USD	-	-	Mwh	-	-
Total							**(6,963)**
Fair Value Hedge							
Gold	Sell	INR	4,972,320	7,543	KGS	37,506	(159)
Silver	Sell	USD	23	485,904	TOZ	11	(7)
Copper	Sell	USD	10,552	37,600	MT	397	50
Total							**(116)**
Non-Designated							
Aluminium	Buy	USD	3,502	98,034	MT	343	186
Aluminium	Sell	USD	3,041	115,141	MT	350	(1,235)
Copper	Buy	USD	10,160	27,875	MT	283	62
Copper	Sell	USD	10,763	35,500	MT	382	105
Gold	Buy	INR	5,041,209	4,352	KGS	21,939	51
Silver	Buy	USD	25	244,244	TOZ	6	-
Silver	Sell	USD	24	244,244	TOZ	6	(1)
Furnace Oil	Buy	USD	240	3,335	MT	1	10
Furnace Oil	Sell	USD	636	3,335	MT	2	-
Local Market Premiums	Sell	USD	-	-	MT	-	-
Local Market Premiums	Buy	USD	-	-	MT	-	-
Zinc	Buy	USD	4,135	950	MT	4	13
Diesel Fuel	Buy	USD	-	-	Gallons	-	-
Diesel Fuel	Buy	USD	5	3,600	MT	0	9
Natural Gas	Buy	USD	6	581,486	MMBtu	3	11
Total							**(789)**
Commodity Options							
Cash Flow Hedge							
Aluminium	Sell	USD	-	-	MT	-	-
Total							-
Embedded derivatives							
Fair Value Hedge							
Copper	Sell	USD	9,838	120,552	MT	1,186	(487)
Gold	Sell	USD	1,949	29,697	TOZ	58	2
Silver	Sell	USD	25	371,143	TOZ	9	-
Total							**(485)**
Grand Total							**(8,353)**

ii Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2021:

		Currency	Average Price/ Unit	Quantity	Unit	Notional value (in Million)	Fair Value Gain/ (Loss) (₹ in Crore)
Commodity Futures/Forwards/Swaps							
Cash Flow Hedge							
Aluminium	Sell	USD	2,051	1,140,878	MT	2,340	(2,058)
Aluminium	Buy	USD	2,188	9,564	MT	21	20
Copper	Sell	USD	8,332	5,875	MT	49	(19)
Furnace Oil	Buy	USD	223	40,000	MT	9	33
Diesel Fuel	Buy	USD	3	4,788,000	Gallons	15	5
Natural gas	Buy	USD	3	12,900,000	MMBtu	34	3
Electricity	Buy	USD	28	226,420	Mwh	6	(16)
Total							**(2,032)**

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		Currency	Average Price/ Unit	Quantity	Unit	Notional value (in Million)	Fair Value Gain/ (Loss) (₹ in Crore)
Fair Value Hedge							
Gold	Sell	INR	4,841,222	7,109	KGS	34,416	260
Silver	Sell	USD	25	1,032,196	TOZ	26	2
Copper	Sell	USD	8,564	46,325	MT	397	(76)
Total							**186**
Non-Designated							
Aluminium	Buy	USD	2,181	160,664	MT	350	162
Aluminium	Sell	USD	1,994	197,499	MT	394	(616)
Copper	Buy	USD	8,899	34,450	MT	307	18
Copper	Sell	USD	8,544	38,725	MT	331	(71)
Gold	Buy	INR	4,633,701	4,608	KGS	21,352	(78)
Silver	Buy	USD	26	1,037,171	TOZ	27	(12)
Silver	Sell	USD	24	1,162,387	TOZ	28	(5)
Furnace Oil	Buy	USD	271	7,446	MT	2	5
Furnace Oil	Sell	USD	373	7,446	MT	3	-
Local Market Premiums	Sell	USD	225	11,250	MT	3	(2)
Local Market Premiums	Buy	USD	468	75	MT	-	-
Zinc	Buy	USD	2,795	2,550	MT	7	9
Diesel Fuel	Buy	USD	3	252,000	Gallons	-	-
Natural Gas	Buy	USD	3	420,000	MMBtu	1	(1)
Total							**(591)**
Commodity Options							
Cash Flow Hedge							
Aluminium	Sell	USD	2,200	45,000	MT	99	(7)
Total							**(7)**
Embedded derivatives							
Fair Value Hedge							
Copper	Sell	USD	8,434	113,831	MT	960	(302)
Gold	Sell	USD	1,724	38,284	TOZ	66	5
Silver	Sell	USD	26	498,103	TOZ	13	6
Total							**(291)**
Grand Total							**(2,735)**

(e) The following table presents details of amount held in Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and the period during which these are going to be released and affecting Statement of Profit and Loss.

(₹ in Crore)

Cash Flow Hedge	Products/ Currency Pair	As at					
		31/03/2022			31/03/2021		
		Closing Value Cash Flow Hedges	Release		Closing Value Cash Flow Hedges	Release	
			Within 12 Months	After 12 Months		Within 12 Months	After 12 Months
		Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Hedge Instrument Type							
Commodity Forwards	Aluminium	(7,500)	(7,315)	(185)	(2,154)	(1,847)	(307)
	Copper	-	-	-	(19)	(19)	-
	Furnace Oil	-	-	-	33	33	-
	Diesel Fuel	23	23	-	2	2	-
	Electricity	(1)	(1)	-	(30)	(30)	-
	Natural Gas	199	140	59	-	(5)	5
Total		**(7,279)**	**(7,153)**	**(126)**	**(2,168)**	**(1,866)**	**(302)**
Non derivative financial instruments							
Debt	USD_INR	(25)	(25)	-	11	11	-
Liability for Copper		-	5	5	-		
Host Liability	USD_INR	(29)	(29)				
Supplier credit	USD_INR	(39)	(39)				
Total		**(93)**	**(93)**	**-**	**16**	**16**	**-**
Hedge Instrument Type							
Currency Forwards	USD_INR	379	207	172	357	134	223
	EUR_INR	-	-	-	-	-	-
	USD_EUR	(74)	(74)	-	(12)	(12)	-
	USD_BRL	242	169	73	(103)	(55)	(48)
	USD_CAD	-	-	-	4	4	-
	USD_KRW	(132)	(133)	1	(12)	-	(12)
	USD_CHF	(1)	(1)	-	(1)	(1)	-
	EUR_CHF	33	31	2	(15)	(15)	-
	EUR_CNY	-	-	-	-	-	-
Currency Swaps	USD_INR	-	-	-	-	-	-
Total		**447**	**199**	**248**	**218**	**55**	**163**
Total		**(6,925)**	**(7,047)**	**122**	**(1,934)**	**(1,795)**	**(139)**
Deferred Tax on above		2,031	2,070	(39)	688	545	143
		(4,894)	**(4,977)**	**83**	**(1,246)**	**(1,250)**	**4**

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(₹ in Crore)

Cost of Hedging Reserve	Products/ Currency Pair	As at 31/03/2022 Closing Value Cost of Hedge Reserve Gain/(Loss)	31/03/2022 Release Within 12 Months Gain/(Loss)	31/03/2022 Release After 12 Months Gain/(Loss)	As at 31/03/2021 Closing Value Cost of Hedge Reserve Gain/(Loss)	31/03/2021 Release Within 12 Months Gain/(Loss)	31/03/2021 Release After 12 Months Gain/(Loss)
Hedge Instrument Type							
Commodity Forwards	Silver	-	-	-	-	-	-
	Copper	(60)	(60)	-	22	22	-
Commodity Options	Aluminium	-	-	-	(7)	(7)	-
Currency Swaps	USD_INR	-	-	-	-	-	-
Currency Options	USD_INR	-	-	-	-	-	-
Total		**(60)**	**(60)**	**-**	**15**	**15**	**-**
Deferred Tax on above		21	21	-	(5)	(5)	-
		(39)	**(39)**	**-**	**10**	**10**	**-**

(f) The following tables presents the amount of gain/(loss) recognized in Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and recycled during the financial year 2021-22:

(₹ in Crore)

	Opening Balance	Net Amount recognised	Net Amount to P&L	Amount added to Non-Financial Assets	Total Amount recycled	CTA	Closing Balance
Cash Flow Hedges							
Commodity	(2,168)	(11,726)	(6,742)	80	(6,662)	(47)	(7,279)
Forex	234	(23)	(141)	(1)	(142)	2	354
Total	**(1,934)**	**(11,749)**	**(6,883)**	**79**	**(6,804)**	**(45)**	**(6,925)**
Deferred Tax on above	688	3,397	1,995	72	2,067	12	2,030
Total	**(1,246)**	**(8,352)**	**(4,888)**	**151**	**(4,737)**	**(33)**	**(4,894)**
Cost of Hedging Reserve							
Commodity	15	(360)	(285)	-	(285)	-	(60)
Forex	-	-	-	-	-	-	-
Total	**15**	**(360)**	**(285)**	**-**	**(285)**	**-**	**(60)**
Deferred Tax on above	(5)	124	98	-	98	-	21
Total	**10**	**(236)**	**(187)**	**-**	**(187)**	**-**	**(39)**

The following tables presents the amount of gain/(loss) recognized in Effective portion of Cash Flow Hedge and recycled during the financial year 2020-21:

(₹ in Crore)

	Opening Balance	Net Amount recognised	Net Amount to P&L	Amount added to Non-Financial Assets	Total Amount recycled	CTA	Closing Balance
Cash Flow Hedges							
Commodity	1,033	(4,369)	(1,169)	11	(1,158)	10	(2,168)
Forex	(1,343)	989	(442)	(137)	(579)	9	234
Total	**(310)**	**(3,380)**	**(1,611)**	**(126)**	**(1,737)**	**19**	**(1,934)**
Deferred Tax on above	180	978	477	(16)	461	(9)	688
Total	**(130)**	**(2,402)**	**(1,134)**	**(142)**	**(1,276)**	**10**	**(1,246)**
Cost of Hedging Reserve							
Commodity	1	48	34	-	34	-	15
Forex	182	7	189	-	189	-	-
Total	**183**	**55**	**223**	**-**	**223**	**-**	**15**
Deferred Tax on above	**(64)**	**(19)**	**(78)**	**-**	**(78)**	**-**	**(5)**
Total	**119**	**36**	**145**	**-**	**145**	**-**	**10**

(g) The following table presents the amount of gain/ (loss) recycled from Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and reference of the line item in the Statement of Profit and Loss where those amounts are included:

(₹ in Crore)

	Year ended 31/03/2022	Year ended 31/03/2021
Revenue from Operations	(7,219)	(882)
Cost of Materials Consumed	206	(509)
Other Expenses	(155)	3
	(7,168)	**(1,388)**

(h) The adjustment as part of the carrying value of inventories arising on account of fair value hedges is as follows:

(₹ in Crore)

Increase/ (Decrease) in Inventory Value	As at 31/03/2022 Raw Material	31/03/2022 WIP and Finished Goods	31/03/2022 Total	As at 31/03/2021 Raw Material	31/03/2021 WIP and Finished Goods	31/03/2021 Total
Copper	487	(48)	439	302	93	395
Gold	(2)	69	67	(5)	(54)	(59)
Silver	-	6	6	(6)	(5)	(11)
Total	**485**	**27**	**512**	**291**	**34**	**325**

The Group's hedging policy only allows for effective hedge relationships to be established. The effective portion of hedge is recognised in OCI, while ineffective portion of hedge is recognised immediately in the Statement of Profit and Loss. For Cash flow hedges, the Group uses hypothetical derivative method to assess effectiveness based on "lower off" assessment.

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Sources of Hedge ineffectiveness summarised by risk category are as follows :

Risk Category	Sources of Hedge Ineffectiveness	Type of Hedge
Price Risk	Critical terms Mismatch	Cash Flow and Fair Value Hedge
Basis Risk	Fair Value Hedge	
Credit Risk Adjustment	Cash Flow and Fair Value Hedge	
Exchange Risk	Credit Risk Adjustment	Cash Flow Hedge

The amount of gain/ (loss) recognised in the Statement of Profit and Loss on account of hedge ineffectiveness is as follows:

(₹ in Crore)

Note No.	Note Description	Particulars	Type of Hedge	Year ended 31/03/2022	Year ended 31/03/2021
36	Other Expenses	Gain/(Loss) on Derivatives	Cash Flow Hedge	(1,001)	(316)
36	Other Expenses	Gain/(Loss) on Derivatives	Fair Value Hedge	(130)	(33)
				(1,131)	**(349)**

(i) Certain hedges of forecast sale transaction for hedging currency risk were discontinued during the year since the hedged forecast transaction was not expected to occur.

47. Offsetting

Refer Note 1B(Q) for accounting policy on Financial Instruments

Financial instruments subject to offsetting , enforceable master netting arrangement and similar arrangement.

(₹ in Crore)

As at March 31, 2022:	Effects on Balance sheet			Related amounts not offset		
	Gross amount	Gross amount set off in the balance sheet	Net amount in the balance sheet	Amounts subject to master netting	Financial Instrument collateral	Net Amount
Financial Assets						
Derivatives	3,695	(24)	3,671	(1,792)	-	1,879
Financial Liabilities						
Derivatives	11,145	(24)	11,121	(1,792)	(345)	8,984

(₹ in Crore)

As at March 31, 2021:	Effects on Balance sheet			Related amounts not offset		
	Gross amount	Gross amount set off in the balance sheet	Net amount in the balance sheet	Amounts subject to master netting	Financial Instrument collateral	Net Amount
Financial Assets						
Derivatives	1,832	(81)	1,751	(593)	-	1,158
Financial Liabilities						
Derivatives	4,108	(80)	4,028	(593)	(267)	3,168

48. Interest in Other Entities

A. Subsidiaries:

The Group's wholly-owned subsidiaries along with country of incorporation, place of operation and principal activities for the year ended March 31, 2022 and March 31, 2021 are set out below.

Name of Entity	Principal Activity	Country of Incorporation	Place of Operation
Minerals & Minerals Limited	Mining	India	India
Renukeshwar Investments & Finance Limited	Investment	India	India
Renuka Investments & Finance Limited	Investment	India	India
Lucknow Finance Company Limited	Investment	India	India
Dahej Harbour and Infrastructure Limited	Cargo services	India	India
Utkal Alumina International Limited	Manufacturing	India	India
Utkal Alumina Social Welfare Foundation	Welfare	India	India
Kosala Livelihood And Social Foundation	Welfare	India	India
Birla Copper Asoj Private Limited (formerly known as "Ryker Base Private Limited") - (g)	Manufacturing	India	India
AV Minerals (Netherlands) N.V.	Investment	Netherland	Netherland
Hindalco Do Brasil Industria Comercia de Alumina Ltda. - (f)	Subsidiary	Brazil	Brazil
AV Metals Inc.	Investment	Canada	Canada
Novelis Inc.	Manufacturing	Canada	Canada
Novelis do Brasil Ltda.	Manufacturing	Brazil	Brazil
Brecha Energetica Ltda.	Distribution Services	Brazil	Brazil
4260848 Canada Inc.	Management Company	Canada	Canada
4260856 Canada Inc.	Management Company	Canada	Canada
8018227 Canada Inc.	Management Company	Canada	Canada
Novelis (China) Aluminum Products Co., Ltd.	Manufacturing	China	China
Novelis (Shanghai) Aluminum Trading Co., Ltd.	Import and export aluminum	China	China
Novelis PAE SAS	Engineering	France	France
Novelis Aluminium Beteiligungs GmbH	Dormant	Germany	Germany
Novelis Deutschland GmbH (formerly known as "Aleris Deutschland Holding GmbH")	Manufacturing	Germany	Germany
Novelis Sheet Ingot GmbH	Manufacturing	Germany	Germany
Novelis (India) Infotech Ltd.	Dormant	India	India
Novelis Aluminum Holding Unlimited Company	Intermediate subsidiary	Ireland	Ireland
Novelis Italia SpA	Manufacturing	Italy	Italy
Novelis de Mexico S.A. de C.V.	Dormant	Mexico	Mexico
Novelis Korea Limited	Manufacturing	South Korea	South Korea
Novelis AG	Management Company	Switzerland	Switzerland
Novelis Switzerland S.A.	Manufacturing	Switzerland	Switzerland
Novelis MEA Ltd.	Import and export aluminum	UAE	UAE
Novelis Europe Holdings Limited	Intermediate subsidiary	UK	UK
Novelis UK Ltd.	Manufacturing	UK	UK
Novelis Services Limited	Management Company	UK	UK
Novelis Corporation	Manufacturing	USA	USA
Novelis South America Holdings LLC	Intermediate subsidiary	USA	USA
Novelis Holdings Inc.	Intermediate subsidiary	USA	USA

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Name of Entity	Principal Activity	Country of Incorporation	Place of Operation
Novelis Services (North America) Inc.	Cash management service provider	USA	USA
Novelis Global Employment Organization, Inc.	Management Company	USA	USA
Novelis Services (Europe) Inc.	Management Company	USA	USA
Novelis Vietnam Company Limited	Manufacturing	Vietnam	Vietnam
Aleris Asia Pacific International (Barbados) Ltd.	Holding Company	Barbados	Barbados
Aleris Aluminum (Zhenjiang) Co., Ltd.	Manufacturing	China	China
Aleris (Shanghai) Trading Co., Ltd.	Management Company	China	China
Aleris Asia Pacific Limited	Holding Company	Hong Kong	Hong Kong
Aleris Aluminum Japan, Ltd.	Sales Office	Japan	Japan
Novelis Casthouse Germany GmbH (formerly known as "Aleris Casthouse Germany GmbH")	Manufacturing	Germany	Germany
Novelis Deutschland Holding GmbH	Holding Company	Germany	Germany
Novelis Koblenz GmbH (formerly known as "Aleris Rolled Products Germany GmbH")	Manufacturing	Germany	Germany
Novelis Netherlands B.V. (formerly known as "Novelis Aluminum Netherlands B.V.")	Management Company	Netherlands	Netherlands
Aleris Switzerland GmbH	Management Company	Switzerland	Switzerland
Aleris Aluminum UK Limited	Sales Office	UK	UK
Aleris Holding Canada ULC	Holding Company	Canada	Canada
Novelis ALR Aluminum Holdings Corporation (formerly known as "Aleris Corporation")	Manufacturing	USA	USA
Novelis ALR International, Inc. (formerly known as "Aleris International, Inc.")	Manufacturing	USA	USA
Novelis ALR Rolled Products, LLC (formerly known as "Aleris Rolled Products, LLC")	Management Company	USA	USA
Novelis ALR Rolled Products, Inc. (formerly known as "Aleris Rolled Products, Inc.")	Management Company	USA	USA
Novelis ALR Aluminum, LLC (formerly known as "Nichols Aluminum LLC")	Management Company	USA	USA
Novelis ALR Rolled Products Sales Corporation (formerly known as "Aleris Rolled Products Sales Corporation")	Management Company	USA	USA
Novelis ALR Recycling of Ohio, LLC (formerly known as "IMCO Recycling of Ohio, LLC")	Manufacturing	USA	USA
Novelis ALR Aluminum-Alabama, LLC (formerly known as "Nichols Aluminum-Alabama LLC")	Dormant	USA	USA
Novelis ALR Asset Management Corporation (formerly known as "UWA Acquisition Co.")	Holding Company	USA	USA

During the year ended March 31, 2022:

a. Saras Micro Device Inc., an entity incorporated in the state of Delaware and engaged in manufacturing activities, was formed on April 21, 2021. Subsequently, 90% stake in Saras Micro Devices, Inc. was sold on November 22, 2021.

b. Aleris RM, Inc. and Name Acquisition Co. - Merged into Aleris International, Inc. on July 21, 2021

c. Aleris Aluminum France SAS merged into Novelis PAE SAS on March 29, 2022

d. Novelis Laminés France SAS merged into Novelis PAE SAS on March 29, 2022

e. Aleris Aluminum Poland Sp. z.o.o. dissolved by operation of law into Aleris Switzerland GmbH on April 15, 2021

f. 100% stake in Hindalco Do Brasil Industria Comercia de Alumina Ltda. was sold on March 7, 2022

g. 100% equity stake in "Birla Copper Asoj Private Limited (formerly known as "Ryker Base Private Limited")" was acquired on November 18, 2021 through wholly owned subsidiary, Renuka Investments & Finance Limited.

B. Non-Controlling Interests (NCI)

The Group has following non-wholly owned subsidiaries:

Name of Entity	Principal Activity	Country of Incorporation	Ownership interest held by the Group	
			31/03/2022	31/03/2021
Suvas Holdings Limited	Power Generation	India	74.00%	74.00%
Hindalco-Almex Aerospace Limited	Manufacturing	India	97.18%	97.18%
East Coast Bauxite Mining Company Private Limited	Mining	India	74.00%	74.00%

None of above non-wholly owned subsidiary is material to the Group, therefore financial information about these non-wholly owned subsidiary are not disclosed separately.

C. Joint Operations

The Group is engaged in various arrangements on a joint basis with other companies. In assessing whether joint control exists for these arrangements, management evaluates the structure and legal framework and contracts governing the arrangement combined with an assessment of which decisions that significantly influence the return from the arrangement. The Group assesses whether joint arrangements are joint operations where the Group has rights to the assets and obligations for the liabilities related to the arrangement, or a joint venture where the group have an interest in the net assets of the joint arrangement. Accordingly, the Group has identified the following joint arrangements as joint operations:

Name of the joint operations	Principal Activity	Country of Incorporation	Group's proportion of ownership interest and voting power	
			31/03/2022	31/03/2021
Mahan Coal Limited - (a)	Mining	India	50.00%	50.00%
Tubed Coal Mines Limited - (a)	Mining	India	60.00%	60.00%
Aluminium Norf GmbH - (b)(i)	Rolling and recycling	Germany	50.00%	50.00%
Logan Aluminium Inc. - (b)(ii)	Rolling and finishing	USA	40.00%	40.00%
Ulsan Aluminium Limited - (b)(iii)	Rolling and recycling	South Korea	50.00%	50.00%
AluInfra Services SA - (b)(iv)	Service Company	Switzerland	50.00%	50.00%

(a) The proportionate share of total assets and total comprehensive income in the above joint operations are included in standalone financial statements of the Parent.

(b) Novelis Inc, a subsidiary of the Group, is engaged in the following arrangements that are concluded to be joint operations.

i. Aluminium Norf GmbH ("Alunorf"), a large rolling mill in Germany, is a joint operation between Novelis and Hydro Aluminium Deutschland GmbH ("Hydro"). Both Novelis and Hydro hold a 50% interest in equity, profits and losses, shareholder voting and management control. Novelis shares control of the management of Alunorf with Hydro through a jointly-controlled shareholders' committee and supervisory board. Management of Alunorf is led jointly by two managing executives, one nominated by Novelis and one nominated by Hydro. The primary objective of Alunorf is to provide tolling services (output) exclusively to Novelis and Hydro as the total output capacity is allocated between Novelis and Hydro. This indicates that both Novelis and Hydro get substantially all of the economic benefits from the assets of the joint arrangement. The major or sole sources of cash inflows for Alunorf are Novelis and Hydro, who are legally obliged to cover production costs.

ii. Logan Aluminium Inc ("Logan"), an aluminum rolling mill in Kentucky, is a joint operation between Novelis and Tri-Arrows Aluminium Inc. ("Tri-Arrows"). Logan processes metal exclusively received from Novelis and Tri-Arrows and charges the respective partner a fee to cover expenses. This indicates that both Novelis and Tri-Arrows get substantially all of the economic benefits from the assets of the joint arrangement. Logan is thinly capitalized and relies on the regular reimbursement of costs and expenses by Novelis and Tri-Arrows to fund its operations, indicating that Novelis and Tri-Arrows have an obligation for the liabilities of the arrangement. Other than these contractually required reimbursements, Novelis does not provide other material support to Logan. Logan's creditors do not have recourse to Novelis' general credit. Novelis has a 40% voting interest; however, its participating interest in operations ranges from greater that 50% to approximately 55% depending on output. Novelis has joint ability to make decisions regarding Logan's production operations and take its share of production and associated costs.

iii. In May 2017, Novelis Korea Ltd., a subsidiary of Novelis Inc., entered into definitive agreements with Kobe Steel Ltd. ("Kobe"), an unrelated party, under which Novelis Korea and Kobe Steel Ltd. will jointly own and operate Ulsan Aluminum, Ltd. (UAL), the joint arrangement. UAL is controlled by an equally represented Board of Directors in which neither entity has sole decision making ability regarding production operations or other significant decisions. Furthermore, neither entity has the ability to take the majority share of production or associated costs over the life of the joint venture. UAL currently produces flat rolled aluminum products exclusively for Novelis and Kobe. Each of the parties to the joint arrangement hold a 50% interest in the equity, profits and losses, shareholder voting, management control and rights to use the production capacity of the facility.

iv. In July 2018, Novelis Switzerland SA (Novelis Switzerland), a subsidiary of Novelis, entered into definitive agreements with Constellium Valais SA (Constellium), an unrelated party, under which Novelis Switzerland and Constellium will jointly own and operate AluInfra Services SA (AluInfra), the joint arrangement. Each of the parties to the joint arrangement hold a 50% interest in the equity, profits and losses, shareholder voting, management control and rights to use the production capacity of the facility.

D. Investments in Associates:

Details of Associates of the Group are set out below. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. The Group's interests in these entities are accounted for using equity method in the Consolidated Financial statements.

Name of Entity	Country of Incorporation	Proportion of Ownership Interests (%)		Carrying Amount (₹ Crore)	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
Aditya Birla Science & Technology Company Pvt. Limited (ABSTCPL)	India	49.00%	49.00%	27	23
Aditya Birla Renewable Subsidiary Limited (ABRSL)	India	26.00%	26.00%	6	8
Aditya Birla Renewable Utkal Limited (ABRUL)	India	26.00%	26.00%	2	1
Aditya Birla Renewable Solar Limited (ABRSolar) *	India	26.00%	26.00%	9	-
Deutsche Aluminum Verpachung Recycling GMBH #	Germany	30.00%	30.00%	-	-
France Aluminum Recyclage SPA. #	France	20.00%	20.00%	-	-
				44	**32**

* Incorporated during the financial year 2021

Immaterial associates with no existing operations.

(a) Summarised financial information in respect of the Group's associates are set out below. These information is based on their Ind-AS financial statements after alignment of Group's accounting policies.

(₹ in Crore)

	As at							
	31/03/2022				31/03/2021			
	ABSTCPL	ABRSL	ABRUL	ABRSolar	ABSTCPL	ABRSL	ABRUL	ABRSolar
Summarised Balance Sheet								
Non-current Assets	110	111	20	156	100	119	21	4
Current Assets	43	7	1	5	52	8	1	-
Non-current Liabilities	(84)	(86)	(14)	(120)	(8)	(89)	(15)	-
Current Liabilities	(13)	(4)	(1)	(7)	(97)	(9)	(1)	(3)
Net Assets	**56**	**28**	**6**	**34**	**47**	**29**	**6**	**1**
Group's share of Net Assets of Associates	27	7	2	9	23	8	1	-
Dividend Received	-	1	-	-	-	-	-	-
Carrying Amount	27	6	2	9	23	8	1	-
Contingent Liabilities								
Share of Contingent Liabilities of the associate	6	-	-	-	6	-	-	-

(₹ in Crore)

	Year ended							
	31/03/2022				31/03/2021			
	ABSTCL	ABRSL	ABRUL	ABRSolar	ABSTCL	ABRSL	ABRUL	ABRSolar
Summarised Statement of Profit and Loss								
Total Revenues	64	15	3	8	59	16	3	-
Total Profit/ (Loss) for the year	9	2	1	2	9	5	1	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Group's share of Profit/ (Loss) of Associates	4	1	-	1	4	1	-	-
Group's share of Other comprehensive income of Associates	-	-	-	-	-	-	-	-
Reconciliation to carrying amounts								
Opening net assets	47	29	6	1	38	24	5	-
Increase on account of acquisition/issue	-	-	1	31	-	-	-	1
Profit/(Loss) for the year	9	2	1	2	9	5	1	-
Other comprehensive income	-	-	-	-	-	-	-	-
Amounts directly recognised in equity:								
Dividend Paid	-	(3)	(2)	-	-	-	-	-
Closing net assets	**56**	**28**	**6**	**34**	**47**	**29**	**6**	**1**
Group's share (%)	49.00%	26.00%	26.00%	26.00%	49.00%	26.00%	26.00%	26.00%
Group's share (Amount)	27	7	2	9	23	8	1	-
Dividend Received	-	(1)	-	-	-	-	-	-
Carrying amount	**27**	**6**	**2**	**9**	**23**	**8**	**1**	**-**

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E. Interests in Joint Ventures:

Details of Joint Ventures of the Group are set out below. The joint ventures listed below have share capital consisting solely equity shares, which are directly held by the Group. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. No entity listed below is listed on any public stock exchange. The Group's interests in these entities are accounted for using equity method in the Consolidated Financial statements.

	Country of Incorporation	Proportion of Ownership Interests		Carrying Amount (₹ Crore)	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
MNH Shakti Limited (MNH Shakti)	India	15.00%	15.00%	7	14
Hydromine Global Minerals (GMBH) Limited (Hydromine)	British Virgin Islands	45.00%	45.00%	-	-
				7	**14**

F. Interest in Trusts Consolidated as Subsidiaries :

The Group has following Trust which are consolidated in these financial statements.

Name of the Trust	Principal Activity	Country of Incorporation	Place of Operation
Hindalco Jan Seva Trust	Welfare	India	India
Copper Jan Seva Trust	Welfare	India	India
Utkal Alumina Jan Seva Trust	Welfare	India	India

G. Interest in Trusts controlled by the Parent accounted as Treasury Shares:

Name of the Trust	% of Holding	Country of Incorporation	Place of Operation
Trident Trust	#	India	India
Hindalco Employee Welfare Trust	#	India	India

Treasury Shares are held in Trusts whose sole beneficiary is Hindalco Industries Limited, refer note 16 for further details.

49. Business Combination

Refer Note 1B(B) for accounting policy on Business Combination

A. Acquisition of Birla Copper Asoj Private Limited (formerly known as 'Ryker Base Private Limited'):

On November 18, 2021, the Group, through its wholly owned subsidiary Renuka Investments & Finance Limited, has completed its acquisition of 100% of the issued and outstanding shares of Ryker Base Private Limited which is in the business of manufacturing Copper Rods on job work basis, pursuant to a Share Purchase Agreement (the 'SPA'), dated as of November 3, 2021 . The acquisition is in line with the Groups intention to expand in the downstream portfolio.

After completion of the acquisition, name of the acquired company changed to "Birla Copper Asoj Private Limited" ('Birla Asoj').

Details of purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in Crore)

Purchase consideration	Amount
Total amount paid	178
Total Purchase Consideration	**178**

The assets and liabilities recognized as a result of the acquisition as at November 18, 2021 are as follows:

(₹ in Crore)

Assets Acquired	Provisional amounts as at 18/11/2021	Measurement period adjustments*	As at 31/03/2022
Property, Plant and Equipment (incl. ROU assets)	241	43	284
Capital Work-in-Progress	3	-	3
Intangible Assets	1	6	7
Trade Receivables	72	-	72
Current Tax Assets	3	-	3
Inventories	9	-	9
Cash and Cash Equivalents	31	-	31
Other Current and Non-Current Assets	1	-	1
Total Assets	361	49	410
Liabilities Assumed			
Borrowings	139	-	139
Trade and Other Payables	112	-	112
Deferred Tax Liabilities (net)	8	12	20
Other Current and Non-Current Liabilities	24	-	24
Total Liabilities	283	12	295
Net Identifiable Assets Acquired	78	37	115

(₹ in Crore)

Calculation of goodwill	Provisional amounts as at 18/11/2021	Measurement period adjustments*	As at 31/03/2022
Purchase Consideration	178	-	178
Less: Net identifiable assets acquired	(78)	(37)	(115)
Goodwill	**100**	**(37)**	**63**

The Group has allocated the goodwill associated with the acquisition of Birla Asoj to the Copper segment.

* Measurement period adjustment related to pending valuation of tangible and intangible assets and deferred tax impact thereon.

The above fair values of assets acquired and liabilities assumed are final as of March 31, 2022. The fair values of the assets acquired and liabilities assumed were determined using the income, cost and market approaches. In many cases, the determination of the fair values required estimates about discount rates, future expected cash flows and other future events that are judgmental and subject to change. The fair value measurements are primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement of the fair value hierarchy as defined in Ind AS 113, Fair Value Measurements ("Ind AS 113"). Intangible assets consisting of Order Backlog is valued using the Multi Period Excess Earnings Method ("MPEEM") which is a form of the income approach. A cost and market approach has been applied, as appropriate, for Property and Equipment, including Land.

- Order Backlog intangible assets are valued using the MPEEM method. The significant assumptions used include the estimated annual net cash flows (including appropriate revenue and profit attributable to the asset, retention rate, applicable tax rate, and contributory asset charges, among other factors), the discount rate, reflecting the risks inherent in the future cash flow stream, an assessment of the asset's life cycle, and the tax amortization benefit, among other factors. Order Backlog is presented under "Favourable Contracts" in the Consolidated Financial Statements - (refer note 5).

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- Property, Plant and Equipment, including Land, are valued using the cost and market approach, as appropriate. For assets valued using the cost approach, the cost to replace a given asset reflects the estimated reproduction or replacement cost for the property, less an allowance for loss in value due to depreciation. The market approach, which estimates value by leveraging comparable land sale data/listings and qualitatively comparing them to the in-scope properties, has been used to value the Land.

The amounts allocated to intangible assets and its useful life is as follows:

(₹ in Crore)

	Gross carrying amount	Useful life
Favourable Contracts (Order backlog)	6	3 years
Total	**6**	

Revenue and profit contribution

Since the acquisition date, the results of operations for Birla Asoj included in the Consolidated Financial Statements for the year ended March 31, 2022 comprises of Revenue of ₹ 87 crore and Net Loss of ₹ 4 crore.

Purchase consideration - cash flow

(₹ in Crore)

	Year ended 31/03/2022
Outflow of cash required to acquire a subsidiary	178
Less: Cash and cash equivalents acquired	(31)
Net outflow of cash - investing activities	**147**

B. Acquisition of Kuppam unit of SAPA Extrusions India Private Limited:

On February 1, 2022, Hindalco has completed the acquisition of the Extrusion business of SAPA Extrusion India Private Limited, manufacturer of high end extrusion products, pursuant to a Business Transfer Agreement dated December 17, 2021. The acquisition increases the Group's footprint in high end extrusion products by expanding the portfolio of services provided to its customers. During the year ended March 31, 2022, the Group has recognised acquisition related cost of ₹ 6 crore, which are included in Other Expenses in the Consolidated Statement of Profit and Loss and in operating cash flows in the Consolidated Statement of Cash Flows.

Details of purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in Crore)

	Amount
Total amount paid	265
Total Purchase Consideration	**265**

The Purchase Price Allocations were made to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, none of which is expected to be deductible for tax purposes. Goodwill is primarily attributed to synergies from future expected economic benefits, including enhanced revenue growth from expanded capabilities and geographic presence as well as cost savings from duplicative overhead, streamlined operations, and enhanced operational efficiency.

The assets and liabilities recognized as a result of the acquisition as at February 1, 2022 are as follows:

(₹ in Crore)

	As at 31/03/2022
Assets acquired	
Property, plant and equipment (including CWIP)	133
Intangible assets	23
Inventories	60
Trade Receivables	43
Other Assets	39
Total assets	298
Liabilities assumed	
Trade payables	29
Provisions	4
Other liabilities	4
Total liabilities	37
Net identifiable assets acquired	261

(₹ in Crore)

Calculation of goodwill	As at 31/03/2022
Consideration transferred	265
Less: Net identifiable assets acquired	(261)
Goodwill	**4**

The above fair values of assets acquired and liabilities assumed are final as of March 31, 2022. The fair values of the assets acquired and liabilities assumed were determined using the income and cost approach. In many cases, the determination of the fair values required estimates about discount rates, future expected cash flows and other future events that are judgmental and subject to change. The fair value measurements are primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement of the fair value hierarchy as defined in Ind AS 113, Fair Value Measurements ("Ind AS 113"). Intangible assets consists of Customer Relationships valued using 'With and Without/ incremental Cash flow method' and Technical Know How are valued using the 'Relief From Royalty method'. A cost and market approach has been applied, as appropriate, for Property, Plant and Equipment.

The Group has allocated the goodwill associated with the acquisition of Kuppam unit to the Aluminium segment.

Revenue and profit contribution

Since the acquisition date, the results of operations for Kuppam included in the Consolidated Financial Statements for the year ended March 31, 2022 comprises of Revenue of ₹ 66 crore and Net Profit of ₹ 5 crore.

Purchase consideration - cash flow

(₹ in Crore)

	Year ended 31/03/2022
Outflow of cash required to acquire Extrusion Business	265
Net outflow of cash - investing activities	**265**

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C. The following supplemental pro forma financial information presents the Group's results of operations as of March 31, 2022 as if the acquisitions of Birla Asoj and Kuppam had occurred at the beginning of the financial year of acquisition:

(₹ in Crore)

	Year ended
	31/03/2022
Consolidated Revenue from Operations	195,839
Consolidated Profit After Tax for the year from Continuing and Discontinued Operations	13,766

50. Discontinued Operations

Refer Note 1B(H) for accounting policy on Non-Current assets (or Disposal Groups) Held for Sale

On April 14, 2020, the Group closed the acquisition of Aleris. As a result of the European Union (EU) and United States (US) antitrust review processes required for approval of the acquisition, the Group is obligated to divest Aleris' European and North American automotive assets, including its plants in Duffel, Belgium (Duffel) and Lewisport, Kentucky (Lewisport).

Duffel

On September 30, 2020, the Group has completed the sale of its assets at Duffel, Belgium to ALVANCE, the international aluminum business of the GFG Alliance at a consideration of € 310 million as of September 30, 2020. Divestiture of Duffel was a precondition to the acquisition of Aleris as determined by the European Commission and Chinese State Administration for Market Regulation (SAMR). At the transaction date the Group has received € 210 million in cash. Both the parties have agreed to a post-closing arbitration process on the remaining € 100 million as of September 30, 2020. The arbitration does not relate to future events and relates solely to the period prior to consummation of the sale and the amount € 100 million as of September 30, 2020 has been recorded as contingent consideration, which is measured at fair value at each reporting date. Accordingly, the Group marked this contingent consideration to carrying value of € 96 million.

The Group has presented contingent consideration in "Other non current financial assets" and changes to the estimated fair value resulting from subsequent measurement will be recorded to "Loss from discontinued operations". During the year ended March 31, 2022, the Group marked all outstanding receivables related to the sale of Duffel to an estimated fair value of € 45 million (₹ 381 crore ($ 51 million)), which resulted in a loss of € 51 million (₹ 454 crore ($ 61 million)) recorded in "Loss from discontinued operations".

As of March 31, 2022, certain assets and liabilities of Duffel will remain within current assets of discontinued operations and current liabilities of discontinued operations in the consolidated balance sheets until ALVANCE is able to satisfy necessary regulatory requirements.

The results of operations of Duffel has been presented as discontinued operations in the Consolidated Statement of Profit and Loss for the year ended March 31, 2022.

Lewisport

On November 8, 2020, the Group entered into a definitive agreement with American Industrial Partners (AIP) for the sale of Lewisport and the sale was completed on November 30, 2020 ("transaction date for Lewisport business"). Upon closing, the Group has received ₹ 1,335 crore ($ 180 million) in cash proceeds. In addition, the Group has recorded a ₹ 123 crore ($ 17 million) receivable for net working capital adjustments, which was received during current year.

The Group has incurred additional cost to sell amounting to ₹ 10 crore ($ 1.3 million) primarily related to legal expenses recorded in "Loss from discontinued operations" for the year ended March 31, 2022.

The results of operations of Lewisport have been presented as discontinued operations in the Consolidated Statement of Profit and Loss for the year ended March 31, 2022.

(a) The Financial Performance of the Discontinued Operations for the the year ended March 31, 2022 is as follows:

(₹ in Crore)

Particulars		Year ended	
		31/03/2022	31/03/2021
Total Income		-	7,948
Total Expenses		464	8,421
Impairment loss recognised as a result of remeasurement of fair value less cost to sell		-	1,661
Loss before income tax		**(464)**	**(2,134)**
Income tax benefit		(7)	354
Loss after income tax from discontinued operations	(a)	**(471)**	**(1,780)**
Gain on sale of Discontinued Operations (net)		-	68
Income tax benefit on sale of Discontinued Operations		-	13
Gain after income tax on sale of discontinued operations	(b)	**-**	**81**
Loss from Discontinued Operations	(a + b)	**(471)**	**(1,699)**
Foreign Currency Translation Reserve of Discontinued Operations		-	-
Remeasurement of Defined Benefit Obligation of Discontinued Operations (Net of tax ₹ 9 crore)		-	51
Other Comprehensive Income/(Loss) for the year from discontinued operations		**-**	**51**
Total Comprehensive Income/(Loss) for the year from discontinued operations		**(471)**	**(1,648)**

(b) The following assets and liabilities were classified as held for sale in relation to the discontinued operation:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Assets of disposal group classified as held for sale (refer Note 15A)		
Inventory	-	73
Trade receivables	46	34
	46	**107**
Liabilities of disposal group classified as held for sale (refer Note 15B)		
Trade payables	93	114
Contract liabilities	-	5
	93	**119**

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51. Disposal of Subsidiaries

A. Disposal of Hindalco Do Brasil Industria e Comercio de Alumina Ltda.

In December 2021 the Group decided to sell its entire equity interest in its wholly owned Brazilian subsidiary, Hindalco Do Brasil Industria e Comercio de Alumina Ltda. ('Hindalco Do Brazil') and accordingly assets and liabilities of the same were classified as 'Disposal Group Held for Sale' and the Group recognized an impairment loss of ₹ 59 crore (USD 8 million) on the net assets of Hindalco Do Brazil in the Consolidated Financial Statements.

On March 7, 2022 the sale of Hindalco Do Brasil was completed and it ceased to be a subsidiary of the Group. As a result of this, the Group has recognised a loss on sale of subsidiary of ₹ 152 crore (USD 22 million), mainly on account of additional equity infusion of ₹ 164 crore (USD 22 million), which is presented as exceptional expenses in the Consolidated Financial Statements. (refer Note 37)

(₹ in Crore)

Details of sale of Hindalco Do Brasil as on transaction date	As at March 7, 2022
Total Sale Consideration (USD 1)	-
Less: Net Assets sold (USD 22 million)	(164)
Add: Currency Translation adjustment	12
Loss on sale of subsidiary	**(152)**

B. Disposal of Saras Micro Devices Inc.

On November 22, 2021, Novelis sold 90% of its equity ownership in Saras Micro Devices Inc., an early-stage business founded by Novelis on April 21, 2021, related to the development, design, manufacturing, and sale of aluminum-integrated passive devices for use in semiconductor and electronic systems. As a result of this, the Group has recognised a gain on sale of subsidiary of ₹ 112 crore (USD 15 million), which is presented as exceptional income in the Consolidated Financial Statements. (refer Note 37)

As part of this transaction, the Group received ₹ 66 crore (USD 9 million) in cash upon close and approximately ₹ 46 crore (USD 6 million) in deferred cash receipts, which comprise of promissory note due in November 2023 amounting to ₹ 23 crore (USD 3 million) and consideration receivable due in November 2022 amounting to ₹ 23 crore (USD 3 million).

52.

Gare Palma IV/4 (GP-4), Gare Palma IV/5 (GP-5) and Kathautia coal mines were acquired by the Company through auction conducted by the Nominated Authority (NA constituted under the Ministry of Coal, Government of India. The Company was required to achieve certain efficiency parameters and reach their Peak Rated Capacity (PRC) during FY 2015-16. Performance security in the form of Performance Bank Guarantees (PBG) of ₹ 318 crore (for GP-4), ₹ 369 crore (for GP-5) and ₹ 267 crore (for Kathautia) were provided by the Company to NA in this regard.

Due to the various delays on the part of Government Authorities, PRC was achieved by the Company for GP-4 and GP-5 during FY 2016-17 and for Kathautia during FY 2017-18. Having satisfied itself about achievement of efficiency parameters/ PRC, NA returned the PBG in respect of GP-4 on June 19, 2017. However, in a volte face action, vide a letter dated 25th April, 2018, NA imposed a penalty equal to 20% of PBG amounting to ₹ 64 crore for GP-4, ₹ 74 crore for GP-5 and ₹ 118 crore for Kathautia (refer note 10). As the PBG for GP-5 and Kathautia was still with NA, it also appropriated an amount equal to the penalty from the PBG of the respective mines.

The above actions were contested by the Company. The Hon'ble Chhattisgarh High Court at Bilaspur has already given its judgment in favour of the Company in the matter related to GP-5. As per the judgment, Hon'ble High Court has asked NA to refund the amount appropriated by them and return the PBG to the Company. The NA has filed an appeal before the Hon'ble Supreme Court which has not been taken up for hearing yet. The Company's appeal to quash the demand raised by NA in case of GP-4 and Kathautia is yet to be decided and is pending before the Mines Tribunal at Bilaspur and Ranchi respectively.

53. Additional regulatory information required by Schedule III to be disclosed in the consolidated financial statements:

A. Relationship with struck off companies

Disclosure related to relationship of the Company with a company which is Struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31/03/2022	Balance outstanding as at 31/03/2021	Relationship with Relationship with the Struck off company, if any, to be disclosed
Receivables				
1. Daga Nylomet Private Limited	Sale of Goods and Services	1	1	Not a related party
2. Gapscib Trading Private Limited	Sale of Goods and Services	2	2	Not a related party
Payables				
1. KNOP Trading Company Pvt. Ltd.	Purchase Goods and Services	-	-	Not a related party
2. Saturn Mining & Exploration Pvt. Ltd.	Purchase Goods and Services	-	-	Not a related party
3. Agngreen Pest Control Services Pvt. Ltd.	Purchase Goods and Services	-	-	Not a related party
4. Black Bird E-Solutions Pvt. Ltd.	Purchase Goods and Services	-	-	Not a related party
5. Singhal Bricks Pvt. Ltd.	Purchase Goods and Services	-	-	Not a related party
6. Sonebhadra Automobiles Pvt. Ltd.	Purchase Goods and Services	-	-	Not a related party
Other Outstanding balances				
1. Apple Insulated Wires Pvt. Ltd.	Contract liability	-	-	Not a related party
2. Payal Synthetics Pvt. Ltd.	Contract liability	-	-	Not a related party
3. Tecon Surface Coating & Engineering Pvt. Ltd.	Contract liability	-	-	Not a related party

B. Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act, 2013:

(i) Loans and Financial Guarantees given below:

(₹ in Crore)

Name of the Company	Relationship	Nature of Transaction	As at 31/03/2022	As at 31/03/2021
Aditya Birla Science and Technology Company Private Limited	Associate	Loan	36	41

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(ii) Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below:

(₹ in Crore)

Name of the Company	Relationship	Outstanding balance as at		Maximum outstanding during the year ended on	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
Aditya Birla Science and Technology Company Private Limited	Associate	36	41	41	46

C. Other disclosures required under Schedule III amendments

i) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

iv) There is no undisclosed income under the tax assessments under the Income Tax Act, 1961 for the year ending March 31, 2022 and March 31, 2021 which needs to be recorded in the books of account of any of the entities consolidated in the Group.

v) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

vi) Utilisation of borrowed funds and share premium

A) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

vii) Borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

54. Subsequent Events

In April 2022, Novelis amended its ABL Revolver facility to increase the limit on committed letters of credit under the facility to ₹ 2,087 crore (USD 275 million).

55. During the financial year ended March 31, 2022, the Group has reclassified following comparatives which are primarily to conform to the current years classification. This reclassifications do not have material impact on the Consolidated Financial Statements.

(₹ in Crore)

Note No.	Note Description	Previously Reported Amount	Revised Amount	Change
A. Consolidated Balance Sheet				
Assets				
8B	Other Financial Assets, Current	1,089	1,211	122
10	Other Current Assets	2,785	2,673	(112)
9B	Deferred Tax Assets (Net)	887	924	37
Liabilities				
21B	Other Financial Liabilities, Current	3,495	2,531	(964)
18B	Borrowings, Current	6,029	6,993	964
20	Trade Payables	28,222	28,177	(45)
9B	Deferred Tax Liabilities (Net)	4,493	4,530	(37)
9C	Current Tax Liabilities (Net)	2,116	2,126	(10)
23	Other Current Liabilities	1,341	1,386	45
				-
B. Consolidated Statement of Profit and Loss				
Income				
25	Revenue from Operations	131,985	132,008	23
26	Other Income	1,222	1,199	(23)
Expenses				
27	Cost of Materials Consumed	77,630	77,484	(146)
31	Power and Fuel	8,646	8,667	21
36	Other Expenses	18,327	18,452	125
				-

56. Additional information required under Schedule III of the Companies Act, 2013

A. Information regarding subsidiaries, associates and joint ventures included in the consolidated financial statements for the year ended March 31, 2022:

(₹ in Crore)

	Net Assets i.e. total Assets minus total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/ (Loss)	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent:								
Hindalco Industries Limited	69.60%	54,428	40.11%	5,507	34.58%	(397)	40.61%	5,110
Subsidiaries:								
Indian:								
Minerals & Minerals Limited	0.02%	14	0.02%	3	0.00%	-	0.02%	3
Utkal Alumina International Limited	11.64%	9,099	8.00%	1,099	-0.78%	9	8.81%	1,108
Utkal Alumina Social Welfare Foundation	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Suvas Holdings Limited	0.04%	30	0.00%	-	0.00%	-	0.00%	-
Renuka Investments & Finance Limited	0.30%	235	0.01%	1	-4.62%	53	0.43%	54
Renukeshwar Investments & Finance Limited	0.18%	137	-0.01%	(1)	-5.05%	58	0.45%	57
Dahej Harbour and Infrastructure Limited	0.12%	95	0.09%	13	0.00%	-	0.10%	13
Lucknow Finance Company Limited	0.02%	19	0.01%	2	0.00%	-	0.02%	2
Hindalco-Almex Aerospace Limited	0.14%	106	0.06%	8	0.00%	-	0.06%	8
East Coast Bauxite Mining Company Private Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Kosala Livelihood and Social Foundation	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Birla Copper Asoj Private Limited	0.10%	75	-0.03%	(4)	0.00%	-	-0.03%	(4)
Foreign:								
AV Minerals (Netherlands) N.V.	14.27%	11,157	-1.82%	(250)	-32.32%	371	0.96%	121
AV Metals Inc.	14.21%	11,110	0.00%	-	-35.80%	411	3.27%	411
Novelis Inc. (Consolidated)	39.30%	30,734	54.84%	7,529	78.66%	(903)	52.66%	6,626
Hindalco Do Brasil Industria Comercia de Alumina Ltda.	0.00%	-	-0.12%	(16)	-3.22%	37	0.17%	21
Non-controlling Interest	0.01%	11	0.00%	-	0.00%	-	0.00%	-
Associates								
Indian:								
Aditya Birla Renewable Subsidiary Limited	0.01%	7	0.00%	-	0.00%	-	0.00%	-
Aditya Birla Renewable Utkal Limited	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Aditya Birla Renewable Solar Limited	0.01%	9	0.01%	1	0.00%	-	0.01%	1
Aditya Birla Science and Technology Co. Pvt. Ltd.	0.03%	27	0.03%	4	0.00%	-	0.03%	4
Joint Ventures								
Indian:								
MNH Shakti Limited	0.01%	6	0.01%	1	0.00%	-	0.01%	1
Foreign:								
Hydromine Global Minerals (GMBH) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Trusts (Consolidated as Subsidiaries)								
Indian:								
Hindalco Jana Seva Trust	0.00%	2	0.00%	-	0.00%	-	0.00%	-
Copper Jann Seva Trust	-0.01%	(6)	-0.03%	(4)	0.00%	-	-0.03%	(4)
Utkal Alumina Jana Seva Trust	0.00%	1	0.00%	-	0.00%	-	0.00%	-
	149.99%	**117,298**	**101.19%**	**13,893**	**31.45%**	**(361)**	**107.55%**	**13,532**
Consolidation Adjustments	-49.99%	(39,096)	-1.19%	(163)	68.55%	(787)	-7.55%	(950)
	100.00%	**78,202**	**100.00%**	**13,730**	**100.00%**	**(1,148)**	**100.00%**	**12,582**

B. Information regarding subsidiaries, associates and joint ventures included in the consolidated financial statements for the year ended March 31, 2021:

(₹ in Crore)

	Net Assets i.e. total Assets minus total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/ (Loss)	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Parent:								
Hindalco Industries Limited	75.24%	50,064	28.51%	993	79.01%	3,780	57.74%	4,773
Subsidiaries:								
Indian:								
Minerals & Minerals Limited	0.02%	11	0.00%	-	0.00%	-	0.00%	-

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(₹ in Crore)

	Net Assets i.e. total Assets minus total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/ (Loss)	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Utkal Alumina International Limited	12.01%	7,991	17.40%	606	-0.02%	(1)	7.32%	605
Utkal Alumina Social Welfare Foundation	0	-	0.00%	-	0.00%	-	0.00%	-
Suvas Holdings Limited	0.04%	29	0.00%	-	0.00%	-	0.00%	-
Renuka Investments & Finance Limited	0.23%	156	0.11%	4	1.30%	62	0.80%	66
Renukeshwar Investments & Finance Limited	0.12%	80	0.09%	3	0.61%	29	0.39%	32
Dahej Harbour and Infrastructure Limited	0.12%	82	-0.20%	(7)	0.00%	-	-0.08%	(7)
Lucknow Finance Company Limited	0.03%	18	0.06%	2	0.00%	-	0.02%	2
Hindalco-Almex Aerospace Limited	0.15%	97	0.14%	5	0.00%	-	0.06%	5
East Coast Bauxite Mining Company Private Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Kosala Livelihood and Social Foundation	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign:								
AV Minerals (Netherlands) N.V.	17.50%	11,648	0.03%	1	-7.30%	(349)	-4.21%	(348)
AV Metals Inc.	17.19%	11,438	0.00%	-	-7.17%	(343)	-4.15%	(343)
Novelis Inc. (Consolidated)	37.51%	24,958	55.61%	1,937	21.36%	1,022	35.79%	2,959
Hindalco Do Brasil Industria Comercia de Alumina Ltda.	0.10%	66	-0.29%	(10)	0.46%	22	0.15%	12
Non-controlling Interest	0.02%	10	0.00%	-	0.00%	-	0.00%	-
Associates								
Indian:								
Aditya Birla Renewable Subsidiary Limited	0.01%	8	0.03%	1	0.00%	-	0.01%	1
Aditya Birla Renewable Utkal Limited	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Aditya Birla Renewable Solar Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Aditya Birla Science and Technology Co. Pvt. Ltd.	0.03%	23	0.11%	4	0.00%	-	0.05%	4

(₹ in Crore)

	Net Assets i.e. total Assets minus total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/ (Loss)	Amount	As % of Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
Joint Ventures								
Indian:								
MNH Shakti Limited	0.02%	14	0.03%	1	0.00%	-	0.01%	1
Foreign:								
Hydromine Global Minerals (GMBH) Limited	0.00%	-	-0.03%	(1)	0.00%	-	-0.01%	(1)
Trusts (Consolidated as Subsidiaries)								
Indian:								
Hindalco Jana Seva Trust	0.00%	2	0.00%	-	0.00%	-	0.00%	-
Copper Jann Seva Trust	0.00%	(3)	-0.14%	(5)	0.00%	-	-0.06%	(5)
Utkal Alumina Jana Seva Trust	0.00%	(1)	-0.03%	(1)	0.00%	-	-0.01%	(1)
	160.34%	**106,692**	**101.44%**	**3,533**	**88.25%**	**4,222**	**93.81%**	**7,755**
Consolidation Adjustments	-60.34%	(40,149)	-1.44%	(50)	11.75%	562	6.19%	512
	100.00%	**66,543**	**100.00%**	**3,483**	**100.00%**	**4,784**	**100.00%**	**8,267**

As per our report annexed
For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sarah George
Partner
Membership No. 045255

Place: Mumbai
Date: May 26, 2022

For and on behalf of the Board of **Hindalco Industries Limited**

Praveen Kumar Maheshwari
Whole-time Director and
Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Annexure VII

FINANCIAL INFORMATION RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH 2022 Sec.129(3)

Figures INR in Crore & FC in Million

Sr.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before Tax	Provision for Tax	Gain/Loss from Discontinued Operations	Profit/(Loss) after Tax.	Proposed Dividend	% of Share Holding
1	Minerals and Minerals Limited	India	INR	0.05	13.60	32.45	18.80	-	46.36	4.21	1.38	-	2.84	-	100
2	Renuka Investment and Finance Limited	India	INR	34.25	200.72	238.64	3.67	233.42	3.65	3.08	2.43	-	0.65	-	100
3	Renukeshwar Investment and Finance Limited	India	INR	4.80	132.37	137.93	0.76	137.87	3.61	3.60	4.44	-	(0.84)	-	100
4	Suvas Holding Limited	India	INR	29.93	(2.83)	35.98	6.33	0.05	3.51	0.22	0.05	-	0.17	-	74
5	Utkal Alumina International Limited	India	INR	6,251.48	2,847.99	13,050.72	3,951.25	651.94	4,741.65	1,701.34	602.18	-	1,099.16	-	100
6	Hindalco-Almex Aerospace Limited	India	INR	88.56	17.71	112.49	6.22	41.93	126.65	8.32	0.47	-	7.85	-	97
7	Lucknow Finance Company Limited	India	INR	9.90	9.51	20.56	1.14	11.63	2.65	2.24	0.34	-	1.90	-	100
8	Dahej Harbour and Infrastructure Limited	India	INR	50.00	45.01	133.06	38.05	90.04	57.58	20.97	7.72	-	13.25	-	100
9	East Coast Bauxite Mining Co.Pvt.Ltd.	India	INR	0.01	(0.05)	0.01	0.04	-	-	(0.00)	-	-	(0.00)	-	74
10	Utkal Alumina Social Welfare Foundation	India	INR	0.10	0.01	0.24	0.12	-	-	0.03	-	-	0.03	-	100
11	Kosala Livelihood and Social Foundation	India	INR	1.6	(0.39)	1.38	0.17	-	0.41	(0.39)	-	-	(0.39)	-	100
12	Birla Copper ASOJ Private Limited (Erstwhile Ryker Base Pvt Ltd)	India	INR	52.02	22.74	276.68	201.92	-	87.38	(5.99)	(1.53)	-	(4.46)	-	100
13	A V Minerals (Netherlands) N.V. *	Netherlands	INR	12,590.63	(1,433.80)	11,156.83	-	-	-	(250.04)	-	-	(250.04)	-	100
			USD	1,658.74	(188.89)	1,469.84	-	-	-	(33.57)	-	-	(33.57)	-	
14	A V Metals Inc. #*	Canada	INR	-	11,109.92	11,109.92	-	-	-	-	-	-	-	-	100
			USD	-	1,463.66	1,463.66	-	-	-	-	-	-	-	-	
15	Novelis Inc.*	Canada	INR	11,234.67	1,286.26	23,375.15	10,854.23	-	5,082.27	4,601.12	(380.74)	(38.33)	4,943.54	-	100
			USD	1,480.00	169.44	3,079.32	1,429.88	-	682.24	617.65	(51.11)	(5.14)	663.62	-	
16	4260848 Canada Inc.*	Canada	INR	930.98	(630.78)	305.50	5.29	-	-	209.63	11.52	-	198.11	-	100
			USD	122.64	(83.10)	40.24	0.70	-	-	28.14	1.55	-	26.59	-	
17	4260856 Canada Inc.*	Canada	INR	1,396.52	(957.46)	446.95	7.90	-	-	312.76	17.19	-	295.57	-	100
			USD	183.97	(126.13)	58.88	1.04	-	-	41.98	2.31	-	39.68	-	
18	Novelis South America Holdings LLC*	USA	INR	0.01	(0.01)	-	-	-	-	-	-	-	-	-	100
			USD	0.00	(0.00)	-	-	-	-	-	-	-	-	-	

Figures INR in Crore & FC in Million

Sr.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before Tax	Provision for Tax	Gain/Loss from Discontinued Operations	Profit/(Loss) after Tax.	Proposed Dividend	% of Share Holding
19	Novelis Corporation*	USA	INR	0.30	(5,017.95)	43,534.39	48,552.04	-	45,940.47	238.38	(14.90)	-	253.28	-	100
			USD	0.04	(661.04)	5,735.00	6,396.00	-	6,167.00	32.00	(2.00)	-	34.00	-	
20	Novelis de Mexico SA de CV*	Mexico	INR	0.05	(0.05)	-	-	-	-	-	-	-	-	-	100
			USD	0.01	(0.01)	-	-	-	-	-	-	-	-	-	
21	Novelis do Brasil Ltda.*	Brazil	INR	1,530.77	4,460.18	15,573.88	9,582.94	-	19,528.52	3,543.18	905.14	-	2,638.03	-	100
			BRL	958.53	2,792.85	9,751.96	6,000.59	-	13,967.20	2,534.15	647.38	-	1,886.78	-	
22	Novelis Korea Limited*	South Korea	INR	2,603.15	768.99	12,931.85	9,559.71	-	19,822.81	404.20	117.54	-	286.66	-	100
			KRW	416,777.00	123,119.00	2,070,454.00	1,530,558.00	-	3,173,731.00	64,714.00	18,818.00	-	45,896.00	-	
23	Novelis UK Ltd*	United Kingdom	INR	1,457.60	1,279.67	4,157.63	1,420.36	-	4,742.62	302.95	47.57	-	255.38	-	100
			GBP	146.10	128.26	416.72	142.36	-	466.04	29.77	4.68	-	25.10	-	
24	Novelis Services Limited*	United Kingdom	INR	1,525.87	2,817.79	4,344.74	1.08	-	332.15	373.13	31.33	-	341.79	-	100
			USD	201.01	371.20	572.35	0.14	-	44.59	50.09	4.21	-	45.88	-	
25	Novelis Deutschland GmbH*	Germany	INR	2,864.73	37.58	13,488.72	10,586.40	-	29,831.71	(979.78)	0.02	-	(979.79)	-	100
			EUR	340.80	4.47	1,604.65	1,259.39	-	3,446.03	(113.18)	0.00	-	(113.18)	-	
26	Novelis Aluminium Beteiligungs GmbH*	Germany	INR	0.21	0.18	0.39	-	-	-	-	-	-	-	-	100
			EUR	0.03	0.02	0.05	-	-	-	-	-	-	-	-	
27	Novelis Switzerland SA*	Switzerland	INR	41.14	3,647.96	5,677.95	1,988.86	-	6,728.53	22.66	0.21	-	22.46	-	100
			CHF	5.00	443.41	690.16	241.75	-	829.77	2.80	0.03	-	2.77	-	
28	Novelis Italia SPA*	Italy	INR	452.71	200.63	1,574.62	921.28	-	2,728.83	96.42	7.40	-	89.02	-	100
			EUR	53.86	23.87	187.32	109.60	-	315.22	11.14	0.86	-	10.28	-	
29	Novelis Aluminium Holding Unlimited Company*	Ireland	INR	1,824.91	(33.55)	8,808.09	7,016.73	-	-	(1,173.75)	(441.89)	-	(731.86)	-	100
			EUR	217.10	(3.99)	1,047.83	834.73	-	-	(135.59)	(51.05)	-	(84.54)	-	
30	Novelis PAE SAS*	France	INR	33.96	151.61	324.96	139.40	-	101.26	2.00	(0.15)	-	2.15	-	100
			EUR	4.04	18.04	38.66	16.58	-	11.70	0.23	(0.02)	-	0.25	-	
31	Novelis Europe Holdings Limited*	United Kingdom	INR	372.70	1,599.39	5,732.09	3,760.00	-	-	(153.09)	-	-	(153.09)	-	100
			USD	49.10	210.70	755.12	495.32	-	-	(20.55)	-	-	(20.55)	-	

Annexure VII

Figures INR in Crore & FC in Million

Sr.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before Tax	Provision for Tax	Gain/Loss from Discontinued Operations	Profit/(Loss) after Tax.	Proposed Dividend	% of Share Holding
32	Novelis AG*	Switzerland	INR	8.23	1,746.40	10,612.43	8,857.79	-	9,783.46	84.28	0.61	-	83.67	-	100
			CHF	1.00	212.28	1,289.95	1,076.67	-	1,206.50	10.39	0.08	-	10.32	-	
33	Novelis Holdings Inc.*	USA	INR	0.00	810.43	11,769.97	10,959.54	-	-	(325.98)	(62.77)	-	(263.21)	-	100
			USD	0.00	106.76	1,550.52	1,443.76	-	-	(43.76)	(8.43)	-	(35.33)	-	
34	8018227 Canada Inc.*	Canada	INR	-	(635.96)	1,925.56	2,561.51	-	-	108.64	13.48	-	95.17	-	100
			USD	-	(83.78)	253.66	337.44	-	-	14.58	1.81	-	12.78	-	
35	Novelis Sheet Ingot GmbH*	Germany	INR	168.12	-	4,964.89	4,796.77	-	857.83	80.39	-	-	80.39	-	100
			EUR	20.00	-	590.64	570.64	-	99.09	9.29	-	-	9.29	-	
36	Novelis MEA Ltd*	UAE, Dubai	INR	6.93	460.81	2,044.75	1,577.01	-	5,539.20	423.71	-	-	423.71	-	100
			USD	0.91	60.70	269.36	207.75	-	743.58	56.88	-	-	56.88	-	
37	Novelis (Shanghai) Aluminum Trading Company*	China	INR	26.51	13.25	58.72	18.97	-	9.73	(0.37)	0.15	-	(0.52)	-	100
			CNY	22.14	11.07	49.06	15.85	-	8.38	(0.32)	0.13	-	(0.45)	-	
38	Novelis (China) Aluminum Products Co., Ltd.*	China	INR	1,014.23	1,150.92	5,252.79	3,087.64	-	3,990.80	697.31	147.50	-	549.81	-	100
			CNY	847.31	961.50	4,388.30	2,579.48	-	3,438.01	600.72	127.07	-	473.65	-	
39	Novelis Vietnam Company Limited*	Vietnam	INR	6.60	18.59	41.31	16.12	-	0.02	(1.80)	-	-	(1.80)	-	100
			VND	20,820.00	58,688.96	130,403.02	50,894.05	-	73.41	(5,690.22)	-	-	(5,690.22)	-	
40	Novelis Services (North America) Inc.*	USA	INR	-	-	0.10	0.10	-	-	-	-	-	-	-	100
			USD	-	-	0.01	0.01	-	-	-	-	-	-	-	
41	Novelis Services (Europe) Inc.*	USA	INR	-	-	2.22	2.22	-	-	-	-	-	-	-	100
			USD	-	-	0.29	0.29	-	-	-	-	-	-	-	
42	Brecha Energetica Ltda*	Brazil	INR	0.00	0.00	0.00	-	-	-	0.00	-	-	0.00	-	100
			BRL	0.00	0.00	0.00	-	-	-	0.00	-	-	0.00	-	
43	Novelis Global Employment Organization, Inc.*	USA	INR	2.47	(3.37)	41.90	42.80	-	-	(3.02)	(0.36)	-	(2.66)	-	100
			USD	0.33	(0.44)	5.52	5.64	-	-	(0.40)	(0.05)	-	(0.36)	-	
44	Novelis (India) Infotech Ltd.*	India	INR	-	-	-	-	-	-	-	-	-	-	-	100
			INR												

Figures INR in Crore & FC in Million

Sr.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before Tax	Provision for Tax	Gain/Loss from Discontinued Operations	Profit/(Loss) after Tax.	Proposed Dividend	% of Share Holding
45	Novelis Deutschland Holding GmbH*	Germany	INR	4,794.35	(1,328.69)	4,341.14	875.48	-	0.17	0.34	0.34	-	-	-	100
			EUR	570.35	(158.06)	516.43	104.15	-	0.02	0.04	0.04	-	-	-	
46	Novelis Koblenz GmbH*	Germany	INR	819.98	367.95	4,187.33	2,999.39	-	5,649.35	(435.48)	11.15	-	(446.63)	-	100
			EUR	97.55	43.77	498.14	356.82	-	652.59	(50.31)	1.29	-	(51.59)	-	
47	Novelis Casthouse Germany GmbH*	Germany	INR	370.80	0.01	950.58	579.77	-	2,605.47	(21.19)	0.51	-	(21.69)	-	100
			EUR	44.11	0.00	113.08	68.97	-	300.97	(2.45)	0.06	-	(2.51)	-	
48	Novelis ALR Aluminum Holdings Corporation*	USA	INR	9,942.49	54.30	15,978.07	5,981.28	-	-	(138.24)	(338.05)	-	199.82	-	100
			USD	1,309.77	7.15	2,104.87	787.94	-	-	(18.56)	(45.38)	-	26.82	-	
49	Novelis ALR International, Inc.*	USA	INR	18,096.94	(2.44)	22,779.76	4,685.26	-	-	14.22	(9.86)	-	24.08	-	100
			USD	2,384.00	(0.32)	3,000.89	617.21	-	-	1.91	(1.32)	-	3.23	-	
50	Novelis ALR Rolled Products, Inc.*	USA	INR	12,097.07	(1,940.66)	13,290.83	3,134.42	-	4,988.34	(233.78)	(253.46)	28.76	48.44	-	100
			USD	1,593.61	(255.65)	1,750.87	412.91	-	669.63	(31.38)	(34.02)	3.86	6.50	-	
51	Novelis ALR Asset Management Corporation*	USA	INR	8.37	11.84	23.11	2.90	-	-	5.84	(7.12)	-	12.96	-	100
			USD	1.10	1.56	3.05	0.38	-	-	0.78	(0.96)	-	1.74	-	
52	Novelis ALR Rolled Products, LLC*	USA	INR	2,333.56	(443.83)	5,391.81	3,502.09	-	5,263.00	(127.84)	-	0.06	(127.78)	-	100
			USD	307.41	(58.47)	710.29	461.35	-	706.50	(17.16)	-	0.01	(17.15)	-	
53	Novelis ALR Rolled Products Sales Corporation*	USA	INR	0.02	(15.99)	109.17	125.15	-	-	(1.88)	(4.57)	-	2.69	-	100
			USD	0.00	(2.11)	14.38	16.49	-	-	(0.25)	(0.61)	-	0.36	-	
54	Novelis ALR Recycling of Ohio, LLC*	USA	INR	183.88	9.76	851.54	657.90	-	241.94	0.66	-	-	0.66	-	100
			USD	24.22	1.29	112.18	86.67	-	32.48	0.09	-	-	0.09	-	
55	Novelis ALR Aluminum LLC*	USA	INR	1,624.81	1,020.13	3,081.93	436.99	-	3,963.76	667.94	-	-	667.94	-	100
			USD	214.04	134.39	406.00	57.57	-	532.09	89.66	-	-	89.66	-	
56	Novelis ALR Aluminum-Alabama LLC*	USA	INR	2.44	(4.75)	38.81	41.12	-	-	(2.16)	-	-	(2.16)	-	100
			USD	0.32	(0.63)	5.11	5.42	-	-	(0.29)	-	-	(0.29)	-	
57	Aleris Holding Canada ULC*	Canada, Nova Scotia	INR	-	0.03	0.03	-	-	-	-	-	-	-	-	100
			USD	-	0.00	0.00	-	-	-	-	-	-	-	-	

Annexure VII

Figures INR in Crore & FC in Million

Sr.	Name of the Subsidiary Company	Country	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Investments: Shares, Debenture, Bonds & Others	Turnover/ Revenues	Profit/(Loss) before Tax	Provision for Tax	Gain/Loss from Discontinued Operations	Profit/(Loss) after Tax.	Proposed Dividend	% of Share Holding
58	Novelis Netherlands B.V.*	Netherlands	INR	6,437.46	(2,708.19)	4,207.42	478.14	-	-	24.66	5.57	(0.66)	18.43	-	100
			EUR	765.82	(322.17)	500.53	56.88	-	-	2.85	0.64	(0.08)	2.13	-	
59	Aleris Switzerland GmbH*	Switzerland	INR	0.16	29.36	122.08	92.55	-	-	(4.52)	-	-	(4.52)	-	100
			CHF	0.02	3.57	14.84	11.25	-	-	(0.56)	-	-	(0.56)	-	
60	Aleris Aluminum UK Limited*	United Kingdom	INR	0.00	0.34	0.72	0.37	-	0.35	(0.27)	-	-	(0.27)	-	100
			GBP	0.00	0.03	0.07	0.04	-	0.03	(0.03)	-	-	(0.03)	-	
61	Aleris Aluminum Japan, Ltd.*	Japan	INR	0.74	1.02	2.13	0.37	-	1.97	0.12	0.08	-	0.04	-	100
			JPY	12.00	16.41	34.41	6.00	-	29.74	1.88	1.24	-	0.64	-	
62	Aleris Asia Pacific International (Barbados) Ltd.*	Barbados	INR	42.28	(21.19)	21.72	0.64	-	-	(0.09)	-	-	(0.09)	-	100
			EUR	5.03	(2.52)	2.58	0.08	-	-	(0.01)	-	-	(0.01)	-	
63	Aleris (Shanghai) Trading Co., Ltd.*	China	INR	52.36	(13.72)	154.59	115.95	-	350.23	3.06	0.88	-	2.18	-	100
			CNY	43.74	(11.46)	129.15	96.87	-	301.72	2.63	0.75	-	1.88	-	
64	Aleris Asia Pacific Limited*	Hong Kong	INR	4,226.43	(1,843.29)	2,397.11	13.97	-	17.99	(30.22)	1.31	-	(31.52)	-	100
			USD	556.77	(242.83)	315.78	1.84	-	2.42	(4.06)	0.18	-	(4.23)	-	
65	Novelis Aluminum (Zhenjiang) Co., Ltd.*	China	INR	3,853.60	(1,901.16)	3,609.52	1,657.09	-	961.70	(29.52)	-	-	(29.52)	-	100
			CNY	3,219.38	(1,588.27)	3,015.47	1,384.37	-	828.49	(25.43)	-	-	(25.43)	-	
66	Hindalco Do Brazil Industria Comercia de Alumina LTDS*	Brazil	INR	-	-	-	-	-	2,807.45	(160.68)	-	-	(161.95)	-	-
			Reais	-	-	-	-	-	200.45	(11.58)	-	-	(11.58)	-	

Subsidiary of AV Minerals (Netherlands) N.V.

Subsidiary of AV Metals Inc.

* Balance sheet items are translated at closing exchange rate and Profit/(Loss) items are translated at average exchange rate.

List of Subsidiaries merged during FY 21-22

Aleris Aluminum France S.à.r.l. Merged into Novelis PAE S.A.S.

Novelis Lamines France S.A.S. Merged into Novelis PAE S.A.S.

Aleris RM, Inc. Merged into Novelis ALR International, Inc. (formerly Aleris International, Inc.)

Name Acquisition Co. Merged into Novelis ALR International, Inc. (formerly Aleris International, Inc.)

List of Subsidiaries Dissolved during FY 21-22

Aleris Aluminum Denmark ApS Dissolved into Aleris Switzerland GmbH

Aleris Aluminum Poland Sp. z.o.o. Dissolved into Aleris Switzerland GmbH

List of Subsidiaries sold during FY 21-22

Saras Micro Devices, Inc. (Novelis sold 90% ownership of entity. Legal entity still exists but investment is not held as a venture/associate.)

From Ccy	To Ccy	Avg spot rate for the year	Closing rate for 31st March 2022
AUD	INR	55.0692	56.8946
BRL	INR	13.9816	15.9659
CAD	INR	59.4266	60.8311
CHF	INR	81.0894	82.2729
CNY	INR	11.6078	11.9724
EUR	INR	86.5690	84.0610
GBP	INR	101.7635	99.7657
JPY	INR	0.6634	0.6243
NOK	INR	8.5851	8.6410
SEK	INR	8.4616	8.0905
SGD	INR	55.2329	56.0329
USD	INR	74.4927	75.9050

From Ccy	To Ccy	Avg spot rate for the year	Closing rate for 31st March 2022
BRL	USD	0.1877	0.2103
CHF	USD	1.0886	1.0839
CNY	USD	0.1558	0.1577
EUR	USD	1.1624	1.1075
GBP	USD	1.3664	1.3144
JPY	USD	0.0089	0.0082
SEK	USD	0.1136	0.1066
SGD	USD	0.7415	0.7382

Annexure VII

Part "B" - Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. no.	Name of Associates / Joint Ventures	Shares of Associate/Joint Ventures held by the company on the year end					Profit/Loss for the year			
		Latest Audited Balance Sheet Date	Number	Amount of investment (Carrying Value) in Associates / Joint Venture (Rs. in crore)	Extent of Holding % attributable	Networth to Shareholding as per latest audited balance sheet (Rs. in Crore)	Considered in consolidation (Rs. in Crore)	Not considered in consolidation	Description of how there is significant influence	Base on why the associate / joint venture is not considered
Associates										
1	Aditya Birla Science and Technology Company Private Limited	31-Mar-22	9,800,000	9.80	49.00	55.76	27.32		Note A	
2	Aditya Birla Renewables Subsidiary Limited	31-Mar-22	6,895,200	6.90	26.00	27.70	7.20		Note A	
3	Aditya Birla Renewable Utkal Limited (ABRUL)	31-Mar-22	1,274,000	1.27	26.00	5.26	1.37		Note A	
4	Aditya Birla Renewable Solar Limited	31-Mar-22	8,307,000	8.31	26.00	33.97	8.83		Note A	
5	Associates of Novelis Inc. @		3,001	2.12	-	(1.48)	0.10			
Joint Ventures										
1	Hydromine Global Minerals (GMBH) Limited	31-Mar-22	66,562	1.37	45.00	0.01	0.00		Note A	
2	MNH Shakti Limited	31-Mar-22	5,265,000	5.27	15.00	41.55	6.23		Note A	
Joint Operations										
1	Mahan Coal Limited	31-Mar-22	32,250,000	10.25	50.00	22.73	11.36		Note A	
2	Tubed Coal Mines Limited	31-Mar-22	15,296,700	0.00	60.00	2.76	1.66		Note A	
3	**Joint Operations of Novelis Inc. @**		10,041	2,119.55		341.19	118.59			
@ - Associates of Novelis Inc.										
	Deutsche Aluminium Verpackung Recycling GmbH	31-Dec-21	1	1.74	30%	(1.53)	(0.00)	Equity		
	France Aluminum Recyclage SA	31-Dec-21	3,000	0.38	20%	0.05	0.10	Equity		
@ - Joint Operations of Novelis Inc.										
	Aluminium Norf GmbH	31-Dec-21	1	258.06	50%	187.55	45.12	Equity		
	Logan Aluminum Inc.	31-Mar-22	40	0.00	40%	13.90	1.13	Consolidated		
	AluInfra Services SA	31-Dec-20	5,000	24.06	50%	0.52	0.20	Equity		
	Ulsan Aluminum Ltd.	31-Mar-21	5,000	1,837.42	50%	139.22	72.15	Equity		

Note A - There is significant influence due to percentage holding of share capital

For and on behalf of the Board of **Hindalco Industries Limited**

Praveen Kumar Maheshwari
Whole-time Director and Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Place: Mumbai
Date: May 26, 2022

Independent Auditor's Report

on the Standalone Financial Statements

To the Members of Hindalco Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Hindalco Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including Other Comprehensive loss), 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 significant accounting policies and other explanatory information in which are included the financial statement/ financial information as at March 31, 2022 and for the year then ended in respect of two Joint Operations consolidated on a proportionate basis and two Trusts (Refer note 55 to the standalone financial statements) (hereinafter referred to as "standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on audited financial statements of the joint operations and based on the consideration of the separate unaudited financial information of the trusts, the aforesaid standalone financial statements give the information required by the 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, its joint operations and its trusts as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 13 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
A. Measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress consisting of precious metals	
Refer Notes 1D (j) and 11 (d) to the standalone financial statements. Of the Company's ₹ 20,948 crores of inventory as at March 31, 2022, ₹ 4,302 crores of inventory comprised of coal, bauxite, copper concentrate and work in progress consisting of precious metals. This was determined a key audit matter, as the measurement of these inventory quantities lying at the Company's yards, smelters and refineries is complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos and such other parameters. The Company uses internal and external experts, as applicable, to perform volumetric surveys and assessments basis which the quantities of these inventories are estimated.	Our audit procedures relating to the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress of precious metals included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls over the physical count process and measurement of such inventory; • Evaluation of the independence competency and capabilities of the management's experts; • Physically observing inventory measurement and count procedures carried out by management using experts, to assess its appropriateness and completeness and performing roll forward procedures; and • Obtaining and inspecting inventory measurement and physical count results for such inventories, including assessing and evaluating the results of analysis performed by management in respect of differences between book and physical quantities. Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress inventories consisting of precious metals.

Key audit matter	How our audit addressed the key audit matter
B. Provisions recognised and contingencies disclosed with regard to certain legal and tax matters including uncertain tax positions. Refer Notes 1D (i), 10, 22, 23 and 44 to the standalone financial statements. The Company operate in a complex tax jurisdiction with certain tax exemption/ deduction that may be subject to challenge and audit by the tax authorities. There are open tax matters under litigation with tax authorities. As at March 31, 2022, the Company has, recognised provisions and disclosed contingent liabilities towards various legal and tax matters. There are number of legal, direct and indirect tax cases against the Company, including environmental, mining, local and state levies, income tax holidays, availing of input tax credits and such other matters. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, related legal advice including those leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources for recognising provisions, disclosing contingent liabilities and making related disclosures in the standalone financial statements.	Our audit procedures relating to provisions recognised and contingencies disclosed with regard to certain legal and tax matters included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters; • Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss, and testing related to provisions and disclosures in the standalone financial statements through inquiries with the management and legal counsel; • Assessing on test basis on the underlying calculation supporting the contingent liability and other litigations disclosures in the standalone financial statements; • Reviewing orders and other communication from tax and regulatory authorities and management responses thereto; • Assessing the management expert's legal advice and opinion, as applicable, obtained by the Company's management to corroborate management assessment and evaluating competence and capabilities of the experts; and • Using auditor's specialist for technical assistance in evaluating certain significant and judgemental complex direct and indirect tax litigation and positions in tax returns and their possible outcome. Based on the above procedures performed, we did not identify any material exceptions in the provisions recognised and contingent liabilities disclosed in the standalone financial statements with regard to such legal and tax matters.
C. Accounting of derivatives and hedging transactions Refer Notes 1B (Q) and 49 to the standalone financial statements. Company's financial performance is significantly impacted by fluctuations in prices of aluminium, copper, gold, silver, furnace oil and foreign exchange rates. The Company takes a structured approach to the identification, quantification and hedging of such risks by using various derivatives (e.g. forwards, futures, options and embedded derivatives) in commodities and/or foreign currencies. These hedges are designated as either cash flow or fair value hedges, and in certain cases remains non-designated. As at March 31, 2022, the carrying value of the Company's derivatives included derivative assets amounting to Rs. 681 crores and derivative liabilities amounting to Rs. 3,763 crores. Derivative and hedge accounting is considered a key audit matter because of its significance to the standalone financial statements, the volume, nature and types of hedging relationships, including complexity involved in the application of hedge accounting principles in accordance with Ind AS 109, Financial Instruments.	Our audit procedures related to accounting of derivatives and hedging transactions included the following: • Understanding and evaluating the design and testing the operating effectiveness of controls over accounting of derivatives and hedging transactions; • Testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including: ✓ Understanding the risk management objectives and strategies for different types of hedging programs; ✓ Evaluating that the hedging relationship consists only of eligible hedging instruments and hedged items; ✓ Using auditor's expert for assistance in verifying hedge effectiveness requirements of Ind AS 109, Financial Instruments, including the economic relationship between the hedged item and the hedging instrument. • Testing appropriateness of hedge accounting to qualified hedge relationships i.e. cash flow and fair value hedges; and • Testing related presentation and disclosures in the standalone financial statements. Based on the above procedures performed, we did not identify any material exceptions in the amounts, presentation and disclosures made in the standalone financial statements relating to accounting of derivatives and hedging transactions.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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.

7. In preparing the financial statements, management is 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. 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.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

13. We did not audit the financial statements of two joint operations included in the standalone financial statements of the Company, which constitute total assets of ₹ 26 crores and net assets of ₹ 25 crores as at March 31, 2022, total revenue from operations of ₹ Nil, total comprehensive loss (comprising of loss after tax and other comprehensive income) of ₹ * crore and net cash inflows amounting to ₹ * crore for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone financial statements insofar as it relates to the amounts and disclosures included in respect of these joint operations and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid joint operations, is based solely on the reports of the other auditors. Material uncertainty related to going concern has been reported by two joint operations during the year which are not material to the Company.

    * represent figures below the rounding convention used in the financial statements

14. We did not audit the financial information of two Trusts included in the standalone financial statements of the Company, which constitute total assets of ₹ 245 crores and net assets of ₹ 37 crores as at March 31, 2022, total revenue from operations of ₹ Nil, total comprehensive income (comprising of profit after tax and other comprehensive income) of ₹ 1 crore and net cash inflows amounting to ₹ 11 crores for the year then ended. The unaudited financial information in respect of these Trusts have been furnished to us by the management, and our opinion on the standalone financial statements in so far as it relates to the amounts and disclosures included in respect of these Trusts, and our report in terms of sub-section (3) of Section 143 of the Act to the extent applicable, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Company.

    Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **“Annexure A”** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors of two joint operations.

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive loss), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its joint operations incorporated in India, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and, its joint operations incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **“Annexure B”**.

    (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The standalone financial statements disclose the impact of pending litigations on the standalone financial position of the Company and its joint operations–Refer Notes 22, 23 and 44 to the standalone financial statements;

        ii. Provision has been made in the standalone financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2022–Refer Notes 22 and 49 to the standalone financial statements in respect of such items as it relates to the Company and its joint operations;

        iii. Except as referred to in Note 21B to the standalone financial statements, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. (a) The respective management of the Company and its joint operations which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such joint operations, respectively, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such joint operations to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such Joint Operations ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 56(C) to the standalone financial statements);

(b) The respective management of the Company and its joint operations which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such joint operations respectively that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company or any of such joint operations from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such Joint Operations shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 56(C) to the standalone financial statements); and

(c) Based on such audit procedures that has been we considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the joint operations which are companies incorporated in India whose financial statements have been audited under the Act nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clauses (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act. The joint operations have not declared or paid any dividend during the year.

17. The Company and its joint operations incorporated in India has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AJPZYN4652

Mumbai
May 26, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Hindalco Industries Limited on the standalone financial statements as of and for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2 on Property, Plant and Equipment, Note 3 on Investment Properties and Note 15 on 'Non-Current Assets classified as Held for Sale' to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period Held - indicate range, where appropriate (Financial year -FY)	Reason for not being held in the name of the Company
Freehold Land (Property, plant and equipment and Investment Property) at Bharuch and Nashik/ Building (Investment Property) at Mumbai	8	Indogulf Fertilizer and Chemicals Corporation Limited	No	Since FY 2002-2003	The title deeds are held in the name of Indogulf Fertilizer and Chemicals Corporation Limited which has subsequently been amalgamated with the Company
Freehold Land (Property, plant and equipment and Rights of Use assets) / Building (Property, plant and equipment) at various locations	10	Indian Aluminium Company Limited	No	Since FY 2004-2005	The title deeds are held in the name of Indian Aluminium Company Limited which has subsequently been amalgamated with the Company
Freehold Land (Property, plant and equipment)at Kuppam	1	SAPA Extrusion India Private Limited	No	Since FY 2021-2022	The title deeds are held in the name of the SAPA Extrusion India Private Limited which has subsequently been acquired by the company. The company is in process of registering the title deed of this land in its name.
Freehold Land (Property, plant and equipment) at Mahan unit	4	Various individual landowners	No	Since FY 2013 -2014	Certain original land-related documents held in the name of original landowners were submitted to the bank that had provided borrowing for the Mahan project. These original documents are required to be submitted to the land department in order to get the title deed registered in the name of the Company. The Company is awaiting receipt of these original land-related documents from the bank to initiate the process of transfer of the title of the land in favour of the Company.

Annexure A to Independent Auditor's Report

Description of property	Gross carrying value (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period Held - indicate range, where appropriate (Financial year -FY)	Reason for not being held in the name of the Company
Freehold Land (Property, plant and equipment) at Kathautia mine	27	Various individual landowners	No	Since FY 2018 -2019	Approval of the District collector is awaited which is a prerequisite as per the Chota Nagpur Tenancy Act, 1908 to transfer the title deed in the name of the company. The company is in the process of obtaining these approvals.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company including revised returns or statements filed with such banks are in agreement with the unaudited books of account of the Company.

The Company has filed provisional statement with the bank for the quarter ended March 31, 2022, with respect to Company's Aluminium division and the final statement will be submitted to the bank upon finalization of the audited financial statements.

(Also refer Note 56C to the standalone financial statements).

iii. (a) The Company has made investments in four companies and granted unsecured loans to two companies and 225 other parties representing loan to employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to subsidiaries and to parties other than subsidiaries are as per the table given below:

(₹ in crores)

Particulars	Aggregate amount of loan granted/ provided during the year *	Balance outstanding as a balance sheet date in respect of these cases*
Subsidiaries	200	169
Others	3	3

*excludes loan provided to Hindalco Employee Welfare Trust for providing share based payments to employees of the Company.

(Also refer Note 8 and Note 43 to the standalone financial statements)

(b) In respect of the aforesaid investments/loans, the terms and conditions under which such loans were granted/investments were made are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 ('the Act') in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of goods and services tax and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 31 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund as referred to in sub-clause (a) which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crore) #	Period to which the amount relates	Forum where the disputes are pending
Central Sales Tax Act and Local Sales Tax (including VAT) Act	Sales Tax	34	1995-2010, 2014-2016	Assistant Commissioner/Deputy Commissioner /Commissioner/ Revisionary Authorities/ Joint Commissioner (A) /Additional Commissioner (A)
		5	2002-2007, 2009-2011	Tribunal
		33	1999-2007, 2012-2013	High Court
The Central Excise Act, 1944	Excise Duty	20	2000-2003, 2008-2009, 2012-2018	Assistant Commissioner/ Commissioner/ Revisionary Authorities/ Commissioner (A)
		1,098	2001-2018	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		10	2001-2008	High Court
		3	2014-2016	Supreme Court
	Clean environment cess	17	2017-2018	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

Annexure A to Independent Auditor's Report

Name of the statute	Nature of dues	Amount (₹ in crore) #	Period to which the amount relates	Forum where the disputes are pending
The Customs Act, 1962	Custom Duty	3	2004-2005, 2017-2021	Commissioner (Appeal)
		1	2004-2005, 2016-2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Service Tax under the Finance Act, 1994	Service Tax	9	2008-2013, 2016-2018	Assistant Commissioner/ Commissioner/ Revisionary Authorities/ Commissioner (A)
		402	2004-2018	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		16	2013-2016	High Court
The Central Goods and Service Tax Act, 2017	Goods and Services Tax	59	2016-2019, 2021-2022	Assistant Commissioner/Commissioner (A)/ Joint Commissioner
		27	2016-2021	High Court
Income Tax Act, 1961	Income Tax	19	2015-2017	Commissioner of Income Tax Appeals
Building and Other Construction Workers Welfare Cess Act, 1996	BOCW Cess	191	2008-2018	State Labour Commissioner
Mines and Minerals (Development and Regulation) Act, 1957	Royalty	28	1991-2011	Certificate Officer
Orissa Entry Tax, 1999	Entry Tax	76	2003-2018	High Court
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	20	2006-2008	High Court
		87	2000-2012	Supreme Court
Uttar Pradesh Stamp Act	Stamp Duty	253	2006-2007	High Court
Indian Stamp Act, 1899	Stamp Duty	*	2003-2004	High Court
The Employees State Insurance Act, 1948	Employees State Insurance	*	2004-2005	Employees State Insurance Court
Transit Permit Pass Regulation, 1973	Transit Permit Pass	1	2006-07	High Court
Uttar Pradesh Kshetra Panchayat and Zila Panchayat Adhiniyam, 1961	Toll Tax	54	2003-2004, 2016-2017	High Court

above amounts are net of payments made under protest.

* Represents figures below the rounding off convention used in this report.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 56C to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order are not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order are not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the Information and explanations given to us, the Company has received whistle- blower complaints during the year which have been considered by us for any bearing on our audit and reporting.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

Annexure A to Independent Auditor's Report

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has five CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under Clause (xviii) is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 54 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

(xxi) As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following joint operations, which are companies incorporated in India, have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective joint operation companies which are consolidated in standalone financial statements of the Company:

Sr. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below:
1	Mahan Coal Limited	U01010MP2006PLC018586	Joint Operation	May 17, 2022	xiv. The Company did not have an internal audit system for the year under Audit.xvii. The Company has incurred cash losses during the current financial year as well as in the immediately preceding financial year. The amount of cash loss during the current year is ₹ 3,361.71 and ₹ 38,615.09 in the immediately preceding financial year.
2	Tubed Coal Mines Limited	U10100MH2007PLC174466	Joint Operation	May 23, 2022	vii. (a). According to the information and explanations given to us and based on our examination of the books of accounts, the Company does not have any undisputed statutory dues related to of Provident Fund, Employees' State Insurance, Sales Tax, Customs Duty, Excise Duty, VAT and GST as on 31st March 2022. However, the Company is regular in depositing Income tax with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at March 31, 2022 for a period exceeding six months from the date they became payable. The Company is yet to pay Professional Tax of Rs 4,600 for FY 18-19, Rs 4,600/- for FY 19-20, Rs 4,600/- for FY 20-21 and Rs 3700/- for FY 21-22.xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AJPZYN4652

Mumbai
May 26, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Hindalco Industries Limited on the standalone financial statements as of and for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Hindalco Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date which includes the internal financial controls over financial reporting of the Company's two joint operations which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company and its joint operations, which are companies incorporated in India, has in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two joint operations, which are companies incorporated in India, is based on the corresponding reports of the auditors of such joint operation. Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AJPZYN4652

Mumbai
May 26, 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in Crore)

	Note	As at 31/03/2022	As at 31/03/2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment (including Right of Use Assets)	2	31,759	32,061
Capital Work-in-Progress	2	1,573	1,587
Investment Properties	3	8	8
Goodwill	4A	4	-
Intangible Assets	4B	529	321
Intangible Assets Under Development	4B	8	122
Financial Assets			
Investment in Subsidiaries	5	16,423	16,794
Investment in Associates and Joint Ventures	6	160	142
Other Investments	7A	8,515	7,437
Loans	8	45	11
Derivatives	49	174	225
Other Financial Assets	9A	232	188
Non-Current Tax Assets (Net)	23	-	-
Other Non-Current Assets	10	760	843
		60,190	59,739
Current Assets			
Inventories	11	20,948	15,989
Financial Assets			
Investments	7B	4,557	7,358
Trade Receivables	12	2,671	1,602
Cash and Cash Equivalents	13	3,405	1,003
Bank Balances other than Cash and Cash Equivalents	14	3,015	16
Loans	8	172	49
Derivatives	49	507	495
Other Financial Assets	9B	1,156	254
Other Current Assets	10	2,433	1,438
		38,864	28,204
Non-Current Assets Held For Sale	15	3	4
		38,867	28,208
		99,057	87,947

(₹ in Crore)

	Note	As at 31/03/2022	As at 31/03/2021
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	222	222
Other Equity	17	54,206	49,842
		54,428	50,064
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18A	11,668	15,174
Lease Liabilities	2	277	236
Trade Payables	20		
(I) Outstanding dues of micro enterprises and small enterprises;		-	-
(II) Outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Derivatives	49	387	390
Other Financial Liabilities	21A	13	10
Provisions	22	474	421
Deferred Tax Liabilities (Net)	23	2,948	1,966
Other Non-Current Liabilities	25	585	609
		16,352	18,806
Current liabilities			
Financial Liabilities			
Borrowings	18B	7,411	4,755
Lease Liabilities	2	65	75
Supplier's Credit	19	2,456	255
Trade Payables	20		
(I) Outstanding dues of micro enterprises and small enterprises;		96	52
(II) Outstanding dues of creditors other than micro enterprises and small enterprises		10,919	8,748
Derivatives	49	3,376	1,555
Other Financial Liabilities	21B	1,000	937
Provisions	22	1,006	831
Current Tax Liabilities (Net)	23	1,121	1,168
Contract Liabilities	24	180	136
Other Current Liabilities	25	647	565
		28,277	19,077
		44,629	37,883
		99,057	87,947
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Standalone Financial Statements

This is the Standalone Balance Sheet referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Sarah George
Partner
Membership No. 045255

Anil Malik
Company Secretary

K N Bhandari
Director
DIN No.: 00026078

Place : Mumbai
Dated : May 26, 2022

Standalone Statement of Profit and Loss

for the Year ended March 31, 2022

(₹ in Crore)

	Note	Year ended 31/03/2022	Year ended 31/03/2021
INCOME			
Revenue from Operations	26	67,653	42,701
Other Income	27	535	650
Total Income		**68,188**	43,351
EXPENSES			
Cost of Materials Consumed	28	41,979	27,178
Trade Purchases	29	1,922	1,098
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	30	(3,344)	(1,821)
Employee Benefits Expense	31	2,058	1,844
Power and Fuel	32	6,781	5,668
Finance Cost	33	1,417	1,469
Depreciation and Amortization Expense	34	1,752	1,708
Impairment Loss on Non-Current Assets	35	95	140
Impairment Loss/ (Reversal) on Financial Assets (Net)	36	2	(7)
Other Expenses	37	6,962	4,507
Total Expenses		**59,624**	41,784
Profit/(Loss) before Exceptional Items and Tax		8,564	1,567
Exceptional Income/ (Expenses) (Net)	38	(107)	7
Profit/(Loss) before Tax		**8,457**	1,574
Tax Expenses	23		
Current Tax Expense		1,496	283
Deferred Tax Expense		1,454	298
Profit/(Loss) for the year		**5,507**	993
Other Comprehensive Income/ (Loss)	39		
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of Defined Benefit Obligation		(5)	57
Change in Fair Value of Equity Instruments Designated as FVTOCI		1,108	4,351
Income Tax effect		(231)	(20)
Items that will be reclassified to Statement of Profit and Loss			
Change in Fair Value of Debt Instruments Designated as FVTOCI		(9)	(9)
Effective Portion of Cash flow Hedges		(1,867)	(757)
Cost of Hedging Reserve		(75)	(168)
Income Tax effect		682	326
Other Comprehensive Income/ (Loss) for the year		**(397)**	3,780
Total Comprehensive Income/ (Loss) for the year		**5,110**	4,773
Earnings Per Share	40		
Basic (₹)		24.76	4.46
Diluted (₹)		24.73	4.46
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Standalone Financial Statements

This is the Standalone Statement of Profit and Loss referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership No. 045255

Place : Mumbai
Dated : May 26, 2022

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

Satish Pai
Managing Director
DIN-06646758

K N Bhandari
Director
DIN No.: 00026078

Standalone Statement of Changes in Equity

for the Year ended March 31, 2022

A Equity Share Capital

(₹ in Crore)

Particulars	Note	Amount
Balance as at April 01, 2020	16	222
Changes in Equity Share Capital	-	
Balance as at March 31, 2021	16	222
Changes in Equity Share Capital	-	
Balance as at March 31, 2022	16	222

B Other Equity

(₹ in Crore)

Particulars	Note	Share Application Money Pending Allotment	Reserves and Surplus									Other Reserves				Total
			Capital Reserve	Capital Redemption Reserve	Business Reconstruction Reserve	Securities Premium	Debenture Redemption Reserve	Employee Stock Options	Treasury Shares held by ESOP Trust	General Reserve	Retained Earnings	Gain/ (Loss) on Equity	Gain/ (Loss) on Debt Instruments FVTOCI	Effective portion of Cash Flow Hedge	Cost of Hedging Reserve	
Balance as at April 01, 2020		-	145	102	7,715	8,217	1,200	45	(130)	21,354	4,834	1,766	7	(102)	119	45,272
Profit/ (Loss) for the year		-	-	-	-	-	-	-	-	-	993					993
Other Comprehensive Income/ (Loss) for the year		-	-	-	-	-	-	-	-	-	37	4,351	(6)	(493)	(109)	3,780
Total Comprehensive Income/ (Loss) for the year		-	-	-	-	-	-	-	-	-	1,030	4,351	(6)	(493)	(109)	4,773
Hedging (Gain)/ Loss and cost of hedging transferred to non-financial assets		-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)
Transfer to Debenture Redemption Reserve		-	-	-	-	-	150	-	-	-	(150)	-	-	-	-	-
Transactions with owners in their capacity as owners																
Shares Issued by the Trust		-	-	-	-	-	-	-	1	-	1	-	-	-	-	2
Employee Share Based Transactions		-	-	-	-	7	-	(4)	-	-	-	-	-	-	-	3
Employee Share Options Expenses		-	-	-	-	-	-	15	-	-	-	-	-	-	-	15
Employee Share Options Lapsed/Forfeited		-	-	-	-	-	-	(1)	-	-	1	-	-	-	-	-
Dividends Paid		-	-	-	-	-	-	-	-	-	(222)	-	-	-	-	(222)
Balance as at March 31, 2021	17	-	145	102	7,715	8,224	1,350	55	(129)	21,354	5,494	6,117	1	(596)	10	49,842

(₹ in Crore)

Particulars	Note	Share Application Money Pending Allotment	Reserves and Surplus									Other Reserves				Total
			Capital Reserve	Capital Redemption Reserve	Business Reconstruction Reserve	Securities Premium	Debenture Redemption Reserve	Employee Stock Options	Treasury Shares held by ESOP Trust	General Reserve	Retained Earnings	Gain/ (Loss) on Equity	Gain/ (Loss) on Debt Instruments FVTOCI	Effective portion of Cash Flow Hedge	Cost of Hedging Reserve	
Profit/ (Loss) for the year												5,507				5,507
Other Comprehensive Income/ (Loss) for the year		-	-	-	-	-	-	-	-	-	(2)	874	(6)	(1,214)	(49)	(397)
Total Comprehensive Income/ (Loss) for the year		-	-	-	-	-	-	-	-	-	5,505	874	(6)	(1,214)	(49)	5,110
Hedging (Gain)/ Loss and cost of hedging transferred to non-financial assets		-	-	-	-	-	-	-	-	-	-	-	-	(41)	-	(41)
Realised Gain/ (Loss) on Equity FVTOCI transferred to Retained Earnings		-	-	-	-	-	-	-	-	-	68	(68)	-	-	-	-
Transfer to Debenture Redemption Reserve		-	-	-	-	-	150	-	-	-	(150)	-	-	-	-	-
Transactions with owners in their capacity as owners																
Shares Acquired by the Trust		-	-	-	-	-	-	-	(94)	-	-	-	-	-	-	(94)
Shares Issued by the Trust		-	-	-	-	-	-	(11)	24	-	2	-	-	-	-	15
Employee Share Based Transactions		-	-	-	-	9	-	(3)	-	-	-	-	-	-	-	6
Employee Share Options Expenses		-	-	-	-	-	-	35	-	-	-	-	-	-	-	35
Dividends Paid		-	-	-	-	-	-	-	-	-	(667)	-	-	-	-	(667)
Balance as at March 31, 2022	17	-	145	102	7,715	8,233	1,500	76	(199)	21,354	10,252	6,923	(5)	(1,851)	(39)	54,206
Basis of Preparation and Significant Accounting Policies	1															

The accompanying Notes are an integral part of the Standalone Financial Statements

This is the Standalone Statement of Changes in Equity referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership No. 045255

Place : Mumbai
Dated : May 26, 2022

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

Satish Pai
Managing Director
DIN-06646758

K N Bhandari
Director
DIN No.: 00026078

Standalone Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

	Note	Year ended 31/03/2022	Year ended 31/03/2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax		8,457	1,574
Adjustment for :			
Finance Costs	33	1,417	1,469
Depreciation and Amortization Expense	34	1,752	1,708
Non-Cash Employee Share-Based payments	31	35	15
Impairment Loss/ (Reversal) on Financial Assets (Net)	36	2	(7)
Impairment Loss on Non-Current Assets	35	95	140
Other Non-Operating Income		(117)	(6)
Unrealised Foreign Exchange (Gain)/ Loss (Net)		29	(1)
Unrealised (Gain)/ Loss on Derivative Transactions (Net)		53	434
Fair Value (Gain)/ Loss on modification of Borrowings (Net)		(53)	(56)
(Gain)/ Loss on Assets held for Sale (Net)		-	-
(Gain)/ Loss on Property, Plant and Equipment and Intangible Assets Sold/ Discarded (Net)	27	31	20
Interest Income	27	(144)	(105)
Dividend Income	27	(31)	(18)
Exceptional (Income)/ Expense	38	107	(127)
Changes in Cash Flow Hedges net of reclassification from OCI		(34)	(121)
(Gain)/ Loss on Investments measured at FVTPL (Net)	27	(263)	(421)
Operating profit before Working Capital Changes		11,336	4,498
Changes in Working Capital:			
(Increase)/ Decrease in Inventories (Net)		(4,797)	(3,927)
(Increase)/ Decrease in Trade Receivables		(1,030)	493
(Increase)/ Decrease in Financial Assets		(91)	(35)
(Increase)/ Decrease in Non-Financial Assets		(767)	268
Increase/ (Decrease) in Trade Payables		1,898	4,022
Increase/ (Decrease) in Financial Liabilities		32	(9)
Increase/ (Decrease) in Non-Financial Liabilities (including Contract Liabilities)		179	48
Cash Generated from Operation before Tax		6,760	5,358
Refund/ (Payment) of Income Tax (Net)		(1,552)	206
Net Cash Generated/ (Used) - Operating Activities		**5,208**	**5,564**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments to acquire Property Plant and Equipment, Intangible Assets and Investment Property		(1,506)	(1,137)
Proceeds from disposal of Property Plant and Equipment, Intangible Assets and Investment Property		67	14
Acquisition of business		(265)	-
Investment in Subsidiaries		(26)	(1)
Return of Capital from Subsidiary		557	-
Investment in Associates and Joint Ventures		(1)	-
Investment in Equity Shares at FVTOCI		102	(43)
(Purchase)/ Sale of Other Investments (Net)		2,966	(2,278)
Loans and Deposits given		(4,029)	(167)
Receipt of Loans and Deposits given		44	8
Interest Received		123	100
Dividend Received		31	18
Net Cash Generated/ (Used) - Investing Activities		**(1,937)**	**(3,486)**

(₹ in Crore)

	Note	Year ended 31/03/2022	Year ended 31/03/2021
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of Equity Shares (Including Share Application Money)		6	3
Treasury Shares acquired by ESOP Trust		(94)	-
Proceeds from Shares issued by ESOP Trust		15	2
Proceeds from Long-Term Borrowings	18A	2,500	-
Pre-payment of Long-Term Borrowings	18A	(460)	-
Repayment of Long-Term Borrowings	18A	(8)	(6)
Principal Payments of Leases Liabilities	18A	(71)	(69)
Proceeds from/ (Repayment of) Current Borrowings (Net)	18A	(2,923)	(2,829)
Proceeds from Current Borrowings from Subsidiary		1,000	-
Repayment of Current Borrowings from Subsidiary		(1,000)	-
Increase/ (Decrease) in Supplier's Credit	18A	2,161	255
Finance Cost Paid		(1,328)	(1,440)
Dividend Paid		(667)	(222)
Net Cash Generated/ (Used) - Financing Activities		**(869)**	**(4,306)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**2,402**	**(2,228)**
Add: Opening Cash and Cash Equivalents		1,003	3,231
Closing Cash and Cash Equivalents		3,405	1,003
Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet:			
Cash and Cash Equivalents as per Balance Sheet	13	3,405	1,003
Less: Temporary Overdraft Balance in Current Accounts	21B	-	-
Cash and Cash Equivalents as per Cash Flow Statement		3,405	1,003
Supplemental Information			
Non Cash Transactions from Investing and Financing Activities:			
Acquisition of Right of Use Assets	2B	131	17
Basis of Preparation and Significant Accounting Policies	1		

The accompanying Notes are an integral part of the Standalone Financial Statements

This is the Standalone Statement of Cash Flows referred in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sarah George
Partner
Membership No. 045255

Praveen Kumar Maheshwari
Whole-time Director & Chief Financial Officer
DIN-00174361

Anil Malik
Company Secretary

Satish Pai
Managing Director
DIN-06646758

K N Bhandari
Director
DIN No.: 00026078

Place : Mumbai
Dated : May 26, 2022

Notes
forming part of the Standalone Financial Statements

Company Overview

Hindalco Industries Limited ("the Company") was incorporated in India in the year 1958 having its registered office at Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai - 400093.

The Company has two main streams of business Aluminium and Copper. In Aluminium, the Company caters to the entire value chain starting from mining of bauxite and coal through production of value added products for various applications.

The Company along with its subsidiaries has manufacturing operations in ten countries including India spread over four continents North America, South America, Asia and Europe. Apart from primary aluminium, the Company produces aluminium sheet, extrusion and light gauge products for use in packaging market which includes beverage and food, can and foil products as well as for use in automotive, electronic, architecture, transportation and industrial product markets.

The Company also has one of the largest single location Copper smelting facility in India.

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). GDRs are listed on the Luxembourg Stock Exchange.

1. Basis of Preparation and Significant Accounting Policies

1A. Basis of preparation

The separate financial statements of Hindalco Industries Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (including subsequent amendments) and other accounting principles generally accepted in India.

The financial statements for the year ended March 31, 2022 have been approved for issue by the Board of Directors of the Company in their meeting held on May 26, 2022.

The financial statements have been prepared on historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value:

- Certain financial instruments - measured at fair value;
- Assets held for sale - measured at fair value less cost to sell;
- Plan assets under defined benefit plans - measured at fair value;
- Liabilities for Cash settled share-based payments; and
- Inventories those are designated in a Fair value hedge relationship where both the derivative and inventory are fair valued.

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for employee share-based payment, leasing transactions, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

Company has determined current and non-current classification of its assets and liabilities in the financial statements as per the requirement of Ind AS 1 - 'Presentation of Financial Statements'. Based on its assessment, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Crore Rupees (INR 1 Crore = INR 10,000,000) without any decimal unless otherwise stated.

1B. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Investment in Subsidiaries and joint ventures

The investments in subsidiaries and joint ventures are carried in the financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case measured at lower of carrying amount and fair value less costs to sell. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in any subsidiary or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in a subsidiary or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost.

Investments in subsidiaries and joint ventures carried at cost are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of the investment.

B. Investment in Associates

The investments in associates are carried in these financial statements at fair Value through Other Comprehensive Income (OCI).

C. Investment in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standard applicable to the particular assets, liabilities, revenues and expenses.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the financial statements only to the extent of other parties' interests in the joint operation.

Notes
forming part of the Standalone Financial Statements

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

See Note 5 - Investment in Subsidiaries and Note 6 - Investment in Associates and Joint Ventures for further details.

D. Property, Plant and Equipment

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment transferred from hedge reserve as basis adjustment.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency transferred from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised.

Similarly, overhaul costs associated with major maintenance which can be measured reliably are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are charged to profit and loss during the reporting period in which they are incurred.

Capital work-in-progress

Capital work-in-progress comprises of tangible items in the course of construction for production or/and supply of goods or services or administrative purposes are carried at cost, less any accumulated impairment loss. At the point when an asset is capable of operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in Property, Plant & Equipment and accumulated depreciation amounts are retained fully until they are removed/retired from active use.

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful life of the items of Property, Plant and Equipment estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013, refer note 2.

Disposal of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

See Note 2 - Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress for further details.

E. Investment properties

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property. See Note 3 - Investment Properties for further details.

F. Intangible Assets

Goodwill

Goodwill arising on acquisition is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight line basis over their estimated useful lives other than Mining rights. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- management's intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Mineral Reserves, Resources and Rights (Mining Rights)

Mineral reserves, resources and rights (together referred to as 'mining rights') which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Notes
forming part of the Standalone Financial Statements

Exploration for and evaluation of mineral resources
Expenditures associated with exploration for and evaluation of mineral resources after obtaining of legal rights to explore a specific area but before technical feasibility and commercial viability of extracting mineral resources are demonstrable are recognized as Exploration and Evaluation assets.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the statement of profit and loss.

The Company measure its Exploration and Evaluation assets at cost and classifies it as Property, Plant and Equipment or Intangible Assets according to the nature of assets acquired and applies the classification consistently.

As the assets is not available for use, it is not depreciated but are monitored for indication of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting minerals resources are demonstrable and the development of the deposit is intended by the management. The carrying value of such exploration and evaluation asset is reclassified as Mining Rights.

De-recognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

See Note 4A - Goodwill for further details

See Note 4B - Intangible Assets and Intangible Assets under Development for further details.

G. Stripping cost
Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal / bauxite reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

The overburden removal costs are included in Mining Rights under Intangible assets and amortised based on stripping ratio on the quantity of coal / bauxite excavated.

See Note 4B - Intangible Assets and Intangible Assets under Development for further details.

H. Non-current assets (or disposal group) held for sale
Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal Group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

Discontinued Operations
A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

See Note 15 - Non-Current Assets Held For Sale for further details.

I. Impairment of Non-Current Assets
At the end of each reporting period, the Company reviews the carrying amounts of its tangible, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset/cash generating unit is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and Value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

Non-current assets (other than Goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

See Note 2 - Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress for further details.

See Note 3 - Investment Properties for further details.

See Note 4B - Intangible Assets and Intangible Assets under Development for further details.

See Note 35 - Impairment Loss on Non-Current Assets for further details.

J. Foreign currency Transactions
In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise, except for:

- eligible exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest; and

Notes
forming part of the Standalone Financial Statements

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies).

Changes in the fair value of non-monetary equity instruments irrevocably classified as fair value through other comprehensive income includes gain or loss on account of exchange differences.

The fair value of financial liabilities and financial assets denominated in a foreign currency are translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

See Note 33 – Finance Cost for further details.

See Note 37 – Other Expenses for further details.

K. Provisions and contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Restructurings

A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected that the Company will carry out the restructuring by stating to implement the plan or announcing its main feature to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Restoration (including Mine closure), rehabilitation and decommissioning

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, plant and equipment".

Environmental liabilities

Environment liabilities are recognised when the Company becomes obliged, legally or constructively, to rectify environmental damage or perform remediation work.

Litigation

Provision relating to legal, tax and other matters is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are approved and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised.

Enterprise Social Commitment

Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area over a period of time where any new project is set up. Such obligation arises out of conditions mentioned in the Environment Clearance Certificate given by the Government for new projects and are generally defined as a percentage of total project cost. Present value of such future cash flows discounted at appropriate and applicable discount rates are capitalised against the obligation created. Actual cash flows that happen over the period are adjusted against the obligation. The obligation is increased over a period of time and the differential is recognized in the Statement of Profit and Loss as Interest Expense.

Renewable Power Obligation

Provision towards Renewable Power obligation is created to the extent any obligated unit is unable to source renewable energy as a replacement to carbon energy as per requirement of the applicable regulation during the reporting period and is carried in books till the obligation is discharged by purchasing Renewable Energy Certificate from any of the authorised exchanges.

See Note 22 – Provisions for further details.

See Note 44 – Contingent Liabilities and Commitments for further details.

L. Leases

Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk and makes adjustments specific to the lease, e.g. term, security etc.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Standalone Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) to reflect any re-assessment, lease modification, or revised in-substance fixed lease payments.

Right of Use (ROU) Assets
The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

For the certain class of assets, the Company allocates lease or non-lease components on the basis of their relative stand-alone prices while assessing a contract at its inception or on reassessment.

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

The Company as Lessor
The Company enters into lease arrangements as a lessor with respect to some of its investment properties and buildings.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies Ind AS 115, Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

See Note 2B – Right of Use Assets for further details.

See Note 2C – Lease liabilities recognised against Right of Use assets for further details.

See Note 37 – Other Expenses for further details.

M. Inventories
Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/ losses on qualifying cash flow hedges for purchases of raw materials.

Cost of raw material and Traded Goods comprises of Cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition and are net of rebates and discounts.

The Inventories are measured at Fair Value only in those cases where the Inventories are designated into a fair value hedge relationship.

Cost is determined using the weighted average cost basis. However, the same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or above the cost.

See Note 11 – Inventories for further details.

N. Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as Current Assets otherwise as Non-Current Assets.

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less loss allowance.

Trade receivables which are subject to a factoring arrangement without recourse are de-recognized from the Balance Sheet in its entirety. Under this arrangement, the Company transfers relevant receivables to the factor in exchange for cash and does not retain late payment and credit risk.

Trade receivables which arise from contracts where the sale price is provisional and revenue model have the character of a commodity derivative are measured at fair value. The fair value is measured at forward rate and subsequent changes are recognised as Other Operating Revenue.

See Note 12 – Trade Receivables for further details

O. Trade and other payables
These amounts represent liabilities for goods and services provided to the Company and are unpaid at the end of the financial year. The amounts are unsecured and usually paid within time limits as contracted. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

They are recognised initially at their transactional value which represents the fair value and subsequently measured at amortised cost using the effective interest method wherever applicable.

See Note 20 – Trade Payables for further details.

P. Financial Instruments
All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets
Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method
Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Debt instruments meeting these criteria are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees or and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)
Debt instruments are measured at FVTOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments meeting these criteria are subsequently measured at fair value with any gains or losses arising on re-measurement recognised in other comprehensive income, except for impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments (other than held for trading purpose) at FVTOCI.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated in an effective hedge relationship as a hedging instrument or not a financial guarantee.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Gain/ (Loss) on Equity Instruments FVTOCI'. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the 'Gain/ (Loss) on Equity Instruments FVTOCI' is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income, no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial assets at Fair Value through Profit and Loss (FVTPL)
Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in statement of profit and loss. Interest income from these financial assets is included in other income.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Impairment of financial assets
On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments carried at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in the statement of profit and loss.

Expected credit losses of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

For Trade Receivables and Contract Assets, the Company applies the simplified approach required by Ind AS 109, which requires expected life time losses to be recognized from initial recognition of the receivables.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

De-recognition of financial assets
The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity or when it retains contractual rights to retain contractual cash flows from financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipient. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance is determined by using expected credit loss model as per Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind-AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. 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, to the net carrying amount on initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

See Note 7A and 7B – Other Investments for further details.

See Note 8 – Loans for further details.

See Note 9A and 9B – Other Financial assets for further details.

See Note 14 – Bank Balance other than Cash and Cash Equivalents for further details.

See Note 18A and 18B – Borrowings for further details.

See Note 27 – Other Income for further details.

See Note 36 – Impairment Loss/ (Reversal) on Financial Assets (Net) for further details.

See Note 46 – Offsetting Financial Liabilities and Financial Assets for further details.

See Note 47 – Financial Instruments for further details.

See Note 48 – Financial Risk Management for further details.

See Note 49 – Derivative Financial Instruments for further details.

Q. Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company has a policy to designate certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with the cash flow of recognised assets or liabilities or a highly probable forecast transaction (cash flow hedge); or

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

Change in Fair value of derivatives that are not designated in any hedge relationship as mentioned above are accounted through the Statement of Profit and Loss at each reporting date.

The Company also identifies embedded derivatives in certain transactions. These derivatives are generally segregated from the host transactions and accounted for separately. These derivatives are designated into a

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hedge relationship if they meet hedge accounting criteria. Change in Fair Value of such embedded derivatives are accounted in Other Comprehensive Income if they are designated in a cash flow hedge relationship. Fair Value change of all other embedded derivatives including those that are not designated in any hedge relationship are accounted through the Statement of Profit and Loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the derivative is more than 12 months and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the statement of profit and loss from that date except for inventory that is charged to statement of profit and loss on sale of goods.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability as a basis adjustment.

If the hedge ratio for risk management purposes in no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the statement of profit and loss at the time of the hedge relationship rebalancing.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

See Note 49 – Derivatives Financial Instruments for further details.

R. Cash and cash equivalents
Cash and cash equivalents comprise of cash at bank and in hand, short-term deposits and short term highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts which are integral part of Cash management activities. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

See Note 13 – Cash and Cash Equivalents for further details.

S. Borrowing cost
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

See Note 2 – Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress for further details.

See Note 4B - Intangible Assets and Intangible Assets under Development for further details.

See Note 33 – Finance Costs for further details.

T. Accounting for government grants
Government grants are recognized when there is reasonable assurance that we will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income and its amortization is recognized in 'Other Income' on straight line basis over expected useful lives of related assets.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under 'Other Income' or 'Other Operating Revenue' in the statement of profit and loss depending upon the nature of the underlying grant, except for grants received in the form of rebate or exemptions related to expenditures, which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

See Note 26 – Revenue from Operations for further details.

See Note 27 – Other Income for further details.

U. Employee Benefits
Retirement benefit and termination benefits
A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds having terms approximating to the terms of related obligation.

Re-measurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by

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applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurements

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit or when the entity recognises any related restructuring costs which involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

See Note 31 – Employee Benefits for further details

V. Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

Share appreciation rights which are cash settled, are recognised as employee benefit expense over the relevant service period. The liability is fair valued at each reporting date and are presented as employee benefit obligations in the balance sheet.

See Note 42 – Employee Share-based Payments for further details

W. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that at the time of transaction affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off when they relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Current and deferred tax for the period
Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept tax position taken by the Company. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or the expected value arrived at by the Company which provides a better prediction of the resolution of uncertainty. Uncertain tax positions are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration and judicial precedent.

The Company considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12.

See Note 23 - Income Taxes for further details

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X. Revenue recognition

The Company derives revenue principally from sale of hydrate, speciality alumina, aluminium and aluminium value added products, di-ammonium phosphate, copper, precious metals (gold and silver) and other materials.

The Company recognizes revenue when it satisfies a performance obligation in accordance with the contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when legal title, physical possession, risk of obsolescence, loss and rewards of ownership pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

In situations where revenue is recognized on shipment of goods, shipping and handling services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, including but not limited to discounts, volume rebates etc. Transaction price excludes taxes and duties collected on behalf of the government.

For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions from "Revenue from contracts with customers". In making these estimates, the Company considers historical results that have a predictive value of the amount that the Company expects to be entitled to for the transferred goods and services. If historical results have limited predictive value or the Company has limited experience with similar types of incentives, the estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a cost with a corresponding provision.

For certain customer contracts, final prices are determined based on the underlying market index of commodity prices at a future date, for example prices on the London Metal Exchange Limited (LME) or London Bullion Markets Association (LBMA). In such contracts, the Company records revenue on a provisional basis considering current market price when control is transferred to the customer. At the end of each period, prior to final settlement date, adjustments are made to the provisional sale price based on movements in the underlying market index of commodity prices up to the date of final price determination. Such variable price movement is accounted as 'Other Operating Revenue'.

Revenue from irrevocable bill and hold/ holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and the Company does not have the ability to use the product or to direct it to another customer. Under these arrangements, revenue is recognised once legal title has passed and control of the asset sold is transferred to the customer.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others are accounted for on acceptance basis.

Revenue excludes any taxes and duties collected on behalf of the government.

Contract liability

Contract liability is recognised when a payment for customer is already received before a related performance obligation is satisfied. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred or service is provided to the customers under the agreements. The portion of the advance where either the Company does not have a unilateral right to defer settlement beyond twelve months or expects settlement within twelve months from the balance sheet date is classified as a current liability.

See Note 24 – Contract Liabilities for further details

See Note 26 – Revenue from Operations for further details

Y. Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

See Note 27 – Other Income for further details

Z. Exceptional items

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of their size, nature and incidence.

See Note 38 – Exceptional Income/ (Expenses) (Net) for further details

AA. Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Company and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their acquisition date fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements, lease liabilities under Ind AS 116 and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind-AS.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill.

Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured subsequently and settlement is accounted for within equity. Other contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of contingent consideration are recognised in profit or loss.

When a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit and loss or other comprehensive income, as appropriate.

Where it is not possible to complete the determination

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of fair values by the end of the reporting period in which the combination occurs, a provisional assessment of fair values is made and any adjustments required to those provisional values, and the corresponding adjustments to goodwill, are finalised within 12 months of the acquisition date.

See Note 53 – for further details

1C. Measurement of fair value

a. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models.

c. Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

d. Embedded derivatives

Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the balance sheet and in the income statement.

1D. Critical accounting judgment and key sources of estimation uncertainty

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The following paragraphs explains areas that are considered more critical, involving a higher degree of judgment and complexity.

a. Impairment of non-current assets

Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include changes resulting from market and economic environment, including internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or asset Company is an integral part of a value chain where no independent prices for the intermediate products exist, a Company of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind-AS 36, certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, currency rate movements, input cost prices, operating expenses and tax and legal environment. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter.

b. Employee retirement plans

The Company provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

The Company provides defined benefit plans to its employees. The discount rate is based on Government bond yield. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase in India. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost, refer note 31.

c. Environmental liabilities and Asset Retirement Obligation (ARO)

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs, refer note 22.

d. Taxes

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability, refer notes 25. For judgements related to adoption of lower tax rate as per Section 115BBA of the Income tax Act, refer note 23.

e. Extension and termination option in a Lease

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

f. Useful lives of depreciable/ amortisable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

g. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

h. Fair value measurements

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date, refer note 47.

i. Contingent assets and liabilities, provisions and uncertain tax positions

There are various legal, direct and indirect tax matters and other obligations including environmental, mining, local and state levies, income tax holiday, availing input tax credits etc., which may impact the Company. Evaluation of uncertain liabilities and contingent liabilities and assets arising out of above matters require management judgment and assumptions, regarding the probability outflow or realization of economic resources and the timing and amount, or range of amounts, that may ultimately be determined. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts, or application of relevant judicial precedents, refer notes 22, 23 and 44.

j) Inventory Measurement

Measurement of bulk inventory quantities (such as coal, bauxite, copper concentrates, etc.) lying at yards and work in progress of precious metals at smelter and refinery is material, complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos, etc., refer note 11.

The Company performs physical counts of above inventory on a periodic basis using internal / external experts to perform volumetric surveys and assessments, basis which the estimate of quantity for these inventories is determined. The variations noted between book records and physical quantities of above inventories are evaluated and appropriately accounted in the books of accounts.

1E. Recent Accounting Pronouncements

i) New and amended standards adopted by the Company

The Company has adopted the following amendments for the first time for their annual reporting period commencing 1 April 2021:

a) On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, certain specified ratios etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Refer note 57 (a) for Schedule III reclassification entry.

b) Extension of COVID-19 related concessions – amendments to Ind AS 116

c) Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

i) Amended applicable from next financial year

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS16–Property Plant and equipment - The amendment clarifies that excess of net sale proceed of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS37 – Provisions, Contingent Liabilities and Contingent Assets –The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Onerous Contracts (Cost of Fulfilling a Contract) - An entity shall apply those amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The entity shall not restate comparative information. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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2. Property, Plant and Equipment (including Right of Use Assets) and Capital Work-in-Progress

Refer Note 1B (D) for accounting policy on Property, Plant and Equipment
Refer Note 1B (I) for accounting policy on Impairment of Non-Current Assets
Refer Note 1B (L) for accounting policy on Leases
Refer Note 1B (S) for accounting policy on Borrowing cost

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Summary of Property, Plant and Equipment (including Right of Use Assets) given below:		
Property, Plant and Equipment - Cost	50,394	49,291
Less: Accumulated Depreciation and Impairment	19,468	18,056
Net Carrying amount of Property, Plant and Equipment (A)	30,926	31,235
Right of Use Assets	1,020	999
Less: Accumulated Depreciation and Impairment	187	173
Net Carrying amount of Right of Use Assets (B)	833	826
Property, Plant and Equipment (including Right of Use Assets) (A+B)	31,759	32,061
Capital Work-in-Progress (CWIP)	1,573	1,587

A Property, Plant and Equipment

(₹ in Crore)

Particulars	ORIGINAL COST					ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2021	Additions	Addition due to acquisition *	Disposal/ Adjust-ments	As at March 31, 2022	As at April 01, 2021	Additions	Disposal/ Adjust-ments	As at March 31, 2022	As at April 01, 2021	Recognised/ (Reversed)	Disposal/ Adjust-ments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold Land	611	5	22	-	638	14	4	-	18	1	-	-	1	619	596
Buildings	8,178	176	53	(18)	8,389	2,210	263	(6)	2,467	86	14	-	100	5,822	5,882
Plant and Machinery	39,001	1,022	56	(262)	39,817	14,229	1,213	(187)	15,255	689	62	(5)	746	23,816	24,083
Vehicles and Aircraft	447	38	-	(41)	444	242	28	(31)	239	-	-	-	-	205	205
Railway Wagons	189	-	-	-	189	103	10	-	113	-	-	-	-	76	86
Railway Sidings	496	10	-	-	506	204	28	-	232	17	-	-	17	257	275
Furniture and Fixtures	152	24	-	(2)	174	101	9	(2)	108	1	-	-	1	65	50
Office Equipment	217	29	1	(10)	237	158	21	(9)	170	1	-	-	1	66	58
Total	**49,291**	**1,304**	**132**	**(333)**	**50,394**	**17,261**	**1,576**	**(235)**	**18,602**	**795**	**76**	**(5)**	**866**	**30,926**	**31,235**

* refer note 53 Business Combination

(₹ in Crore)

Particulars	ORIGINAL COST					ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2020	Additions	Addition due to acquisition	Disposal/ Adjust-ments	As at March 31, 2021	As at April 01, 2020	Additions	Disposal/ Adjust-ments	As at March 31, 2021	As at April 01, 2020	Recognised/ (Reversal)	Disposal/ Adjust-ments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold Land	598	5	-	8	611	8	4	2	14	-	-	1	1	596	590
Buildings	8,036	110	-	32	8,178	1,919	275	16	2,210	59	23	4	86	5,882	6,058
Plant and Machinery	38,526	559	-	(84)	39,001	13,072	1,222	(65)	14,229	638	48	3	689	24,083	24,816
Vehicles and Aircraft	440	16	-	(9)	447	220	26	(4)	242	-	-	-	-	205	220
Railway Wagons	189	-	-	-	189	93	10	-	103	-	-	-	-	86	96
Railway Sidings	489	7	-	-	496	176	28	-	204	17	-	-	17	275	296
Furniture and Fixtures	136	19	-	(3)	152	97	6	(2)	101	1	-	-	1	50	38
Office Equipment	200	24	-	(7)	217	146	19	(7)	158	1	-	-	1	58	53
Total	**48,614**	**740**	**-**	**(63)**	**49,291**	**15,731**	**1,590**	**(60)**	**17,261**	**716**	**71**	**8**	**795**	**31,235**	**32,167**

(a) For the details of assets for which registration/ transfer is pending, refer note 50.

(b) The Company's share in Jointly owned assets has been grouped together with the relevant class of Property, Plant and Equipment and Capital Work-in-Progress. The proportion of the Original Cost and Carrying amount included in relevant class of assets are given below:

(₹ in Crore)

	31/03/2022		31/03/2021	
	Original Cost	Net Carrying Amount	Original Cost	Net Carrying Amount
Freehold Land	52	52	52	52
Buildings	54	40	50	37
Plant and Machinery	6	1	6	2
Furniture & Fixtures	27	22	14	10
Vehicles and Aircraft	-	-	-	-
Office Equipment	9	2	9	2
Capital Work-in-Progress	101	101	104	104

(c) Assets pledged and Hypothecated against borrowings:

i All the movable and immovable items of Property, Plant and Equipment of Mahan Aluminium unit, both present and future, carrying value ₹ 11,238 crore (as at 31/03/2021 ₹ 11,609 crore) are given as security towards first ranking pari passu charge against the rupee term loans from banks of ₹ 2,934 crore (gross) (as at 31/03/2021 ₹ 2,942 crore). All the movable items of Property, Plant and Equipment and immovable properties of Mahan Aluminium unit, both present and future are given as first ranking pari passu charge against the rupee term loan of ₹ 2,500 crore, refer note - 18A (b).

ii All the movable and immovable items of Property, Plant and Equipment of Aditya Aluminium unit both present and future, carrying value of ₹ 11,693 crore (as at 31/03/2021 ₹ 12,029 crore) are given as security towards first ranking pari passu charge against the rupee term loan from bank of ₹ 6,299 crore (gross) (as at 31/03/2021 ₹ 6,299 crore), refer note - 18A (b).

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iii All movable items of Property, Plant and Equipment both present and future (except movable items of Mahan Aluminium, Aditya Aluminium, Kalwa Plant and current assets of the Company) and certain immovable properties of the Company are given as security towards Non-Convertible Debentures of ₹ 6,000 crore (gross) (as at 31/03/2021 ₹ 6,000 crore), refer note - 18A (a).

(d) For capital expenditures contracted but not incurred, refer note 44B.

(e) Capital Work-in-Progress comprise of various projects and expansions spread over all units. Many of these projects will be capitalized during the year ending March 31, 2023. The Company has tested the carrying value of Capital Work-in-Progress for impairment as at reporting date. During the current year, the Company has impaired certain mining assets which were under CWIP amounting to ₹ 19 crore, refer note 35 for further details.

Major Capital Work-in-Progress are related to following divisions:

(₹ in Crore)

Divisions	31/03/2022	31/03/2021
Aluminium	1,352	1,189
Copper	119	293
Corporate	102	105
Total	**1,573**	**1,587**

(f) During the current year, interest capitalised on qualifying assets is ₹ 18 crore (year ended 31/03/2021 ₹ 9 crore), refer note 33 for further details.

(g) Capital Work-in-Progress (CWIP) ageing schedule as at 31/03/2022

(₹ in Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	835	354	96	87	1,372
Projects temporarily suspended	1	2	21	177	201
Total	**836**	**356**	**117**	**264**	**1,573**

Capital Work-in-Progress (CWIP) ageing schedule as at 31/03/2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	791	412	141	93	1,437
Projects temporarily suspended	2	10	22	116	150
Total	**793**	**422**	**163**	**209**	**1,587**

(h) CWIP completion schedule for projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2022 are given below:

(₹ in Crore)

Project name	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Project in Progress					
Installation of Transformer Rectfier at Electrostatic Precipitator at Muri plant	7	-	-	-	7
Construction of RCC retaining wall & drainage system at Red Mud Pond at Muri plant	3	-	-	-	3
Powder Coating facility for Extruded Profiles at Alupuram plant	3	-	-	-	3
Electronic Governing System for one Black Start DG at Mahan plant	4	-	-	-	4
Installation of Desulphurization System at Hirakud Power plant	22	-	-	-	22
Bare Fin Stock Manufacturing at Mouda plant	9	-	-	-	9
Zero Liquid Discharge Plant at Taloja plant	1	-	-	-	1
Bag filter at Captive Power Plant Dahej unit	2	-	-	-	2
Construction of permanent sheds at Dahej plant	3	-	-	-	3
Installation of Tail Gas Scrubber System in Sulphuric Acid Plant at Dahej plant	3	-	-	-	3
Wind screen for open coal & rack storage yard at Dahej plant	1	-	-	-	1
Degreasing and Circle Blanking Line at Renukoot Rolled plant	7	-	-	-	7
Extrusion Press at Renukoot Extrusion plant	2	-	-	-	2
Electro Static Precipitators for boilers of Renusagar Power plant	18	-	-	-	18
Others*	31	-	-	-	31
(ii) Project temporarily suspended					
Slow cooled converter slag and part Flash Smelting Furnace slag at Dahej plant	-	69	-	-	69
Construction of New Office Building, Mumbai	-	-	-	73	73
Total	**116**	**69**	**-**	**73**	**258**

No Projects in above table are presented due to Cost overrun.

* It represents the projects having budgeted capital expenditure amount below ₹ 5 crore.

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CWIP completion schedule for projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2021 are given below:

(₹ in Crore)

Project name	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Project in Progress					
Capacity Augmentation of Red mud Pond at Muri plant	2	-	-	-	2
Installation of Transformer Rectifier at Electrostatic Precipitator at Muri plant	-	7	-	-	7
Track Hopper at Coal Handling at Aditya plant	-	56	-	-	56
Nickle Cadmium station battery charger at Aditya plant	-	4	-	-	4
Suspended Particulate Matter (SPM) reduction at 6 units of Electro Static Precipitators at Aditya plant	-	18	-	-	18
Sectionalizer at 220 KV bus of Aditya plant	-	5	-	-	5
Procurement and Installation of 100 MVA Power Transformer at Hirakud Smelter plant	5	-	-	-	5
Installation of Desulphurization System at Hirakud Power plant	-	5	-	-	5
Degreasing and Circle Blanking Line at Renukoot Rolled Plant	-	82	-	-	82
New 6" Extrusion Press at Renukoot Extrusion Plant	-	47	-	-	47
Electro Static Precipitators for boilers of Renusagar Power Plant	-	21	-	-	21
Annealing Furnace for Flat Rolled Products at Mouda plant	6	-	-	-	6
Ambient Air Quality Monitoring System at Dahej plant	-	2	-	-	2
Bag filter at Captive Power Plant Dahej plant	-	6	-	-	6
Heat Exchanger at Dahej plant	-	8	-	-	8
Wind screen for open coal & rack storage yard at Dahej plant	-	7	-	-	7
Tertiary water recycling unit at Dahej plant	-	50	-	-	50
Slow cooled converter slag and part Flash Smelting Furnace slag at Dahej plant	-	-	68	-	68
Powder Coating facility for Extruded Profiles at Alupuram plant	-	2	-	-	2
Zero Liquid Discharge Plant at Taloja plant	-	1	-	-	1
Aditya Birla Centre, Mumbai	20	-	-	-	20
Others*	12	30	-	-	42
ii) Project temporarily suspended					
Construction of New Office Building, Mumbai	-	-	-	73	73
Total	**45**	**351**	**68**	**73**	**537**

No Projects in above table are presented due to Cost overrun.

* It represents the projects having budgeted capital expenditure amount below ₹ 5 crore.

(i) Items of Property, Plant and Equipment	Useful Life (Years)
Freehold land	Infinite ^
Buildings	30-60
Plant and Machinery	15-40
Vehicles and Aircraft	8-20
Railway Wagons	15
Railway Sidings	15
Furniture and Fixtures	8-10
Office Equipment	3-6

^ Freehold land used for mining is depreciated over 8 - 30 years.

(j) Residual values and useful live of Property, Plant and Equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(k) During the current year, the Company has impaired certain assets related to Di Ammonium Phosphate (DAP) plant amounting to ₹ 76 crore, refer note 35 for further details.

B Right of Use Assets

The Company leases many assets including Land, Buildings, Plant and Machinery, Vehicles, Railway Wagons, Railway Sidings, Furniture etc. These right of use assets are presented as part of 'Property, Plant and Equipment' under Non-Current assets on the face of the Balance Sheet.

(₹ in Crore)

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2021	Additions	Disposal/ Adjust-ments	As at March 31, 2022	As at April 01, 2021	Additions	Disposal/ Adjust-ments	As at March 31, 2022	As at April 01, 2021	Recognised/ (Reversed)	Deduction/ Adjust-ments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Leasehold Land	760	57	(34)	783	54	32	(21)	65	-	-	-	-	718	706
Buildings	84	15	(10)	89	44	26	(10)	60	-	-	-	-	29	40
Plant and Machinery	83	30	(60)	53	50	14	(37)	27	-	-	-	-	26	33
Vehicles and Aircraft	19	29	(6)	42	10	10	(6)	14	-	-	-	-	28	9
Railway Wagons	41	-	-	41	8	4	-	12	-	-	-	-	29	33
Railway Sidings	2	-	-	2	-	-	-	-	-	-	-	-	2	2
Furniture and Fixtures	10	-	-	10	7	2	-	9	-	-	-	-	1	3
Total	**999**	**131**	**(110)**	**1,020**	**173**	**88**	**(74)**	**187**	**-**	**-**	**-**	**-**	**833**	**826**

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(₹ in Crore)

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2020	Additions	Disposal/ Adjust-ments	As at March 31, 2021	As at April 01, 2020	Additions	Disposal/ Adjust-ments	As at March 31, 2021	As at April 01, 2020	Recognised/ (Reversed)	Deduction/ Adjust-ments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Leasehold Land	750	4	6	760	19	28	7	54	-	-	-	-	706	731
Buildings	84	9	(9)	84	25	27	(8)	44	-	-	-	-	40	59
Plant and Machinery	61	4	18	83	43	12	(5)	50	-	-	-	-	33	18
Vehicles and Aircraft	22	-	(3)	19	6	7	(3)	10	-	-	-	-	9	16
Railway Wagons	41	-	-	41	4	4	-	8	-	-	-	-	33	37
Railway Sidings	21	-	(19)	2	9	-	(9)	-	-	-	-	-	2	12
Furniture and Fixtures	10	-	-	10	5	2	-	7	-	-	-	-	3	5
Total	**989**	**17**	**(7)**	**999**	**111**	**80**	**(18)**	**173**	**-**	**-**	**-**	**-**	**826**	**878**

(a) Disposal/ Adjustments for the lease hold land includes ₹ 16 crore (31/03/2021 ₹ 35 crore) transferred from right of use assets to mining rights under intangible assets in note 4B.

C Lease liabilities recognised against Right of Use Assets are as follows:

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Lease liabilities against Right of Use Assets	277	65	236	75
	277	65	236	75

3. Investment Properties

Refer Note 1B (E) for accounting policy on Investment properties

Refer Note 1B (I) for accounting policy on Impairment of Non-Current Assets

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Cost	13	13
Less: Accumulated Depreciation and Impairment	5	5
Net Carrying amount	**8**	**8**

(₹ in Crore)

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2021	Addition	Disposal/ Adjustments	As at March 31, 2022	As at April 01, 2021	Addition	Disposal/ Adjustments	As at March 31, 2022	As at April 01, 2021	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold Land	1	-	-	1	-	-	-	-	-	-	-	-	1	1
Buildings	12	-	-	12	5	-	-	5	-	-	-	-	7	7
Total	**13**	**-**	**-**	**13**	**5**	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**8**	**8**

(₹ in Crore)

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2020	Addition	Disposal/ Adjustments	As at March 31, 2021	As at April 01, 2020	Addition	Disposal/ Adjustments	As at March 31, 2021	As at April 01, 2020	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold Land	1	-	-	1	-	-	-	-	-	-	-	-	1	1
Buildings	12	-	-	12	4	1	-	5	-	-	-	-	7	8
Total	**13**	**-**	**-**	**13**	**4**	**1**	**-**	**5**	**-**	**-**	**-**	**-**	**8**	**9**

(₹ in Crore)

		Year ended	
		31/03/2022	31/03/2021
(a)	Amount recognised in profit and Loss for Investment Properties are as under:		
	Rental income	3	3
	Direct operating expenses (including repairs and maintenance) on properties generating rental income	-	(1)
	Direct operating expenses (including repairs and maintenance) on properties not generating rental income	-	-

(b) The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. There is no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal on the Company.

(c) The fair value of the Company's investment properties as at March 31, 2022 and March 31, 2021 have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuers. Independent valuer who arrived at fair value as at March 31, 2022 is registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. However values as presented in March 31, 2021 were done by independent valuer who was not registered under above mentioned rule.

(d) The fair value measurement for all the investments properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

Fair Value of Investment Properties:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
	Level 2	Level 2
Freehold Land	1	1
Buildings	50	48
	51	49

(e)

Items of Investment Properties	Useful Life (Years)
Freehold Land	Infinite
Buildings	60

(f) Certain Investment Properties are given as security towards Non-Convertible debentures of ₹ 6,000 crore (gross) (as at 31/03/2021 ₹ 6,000 crore), refer note - 18A (a).

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4A Goodwill

Refer Note 1B (F) for accounting policy on Intangible Assets

(₹ in Crore)

	As at 31/03/2022	As at 31/03/2021
Cost	4	-
Less: Accumulated Impairment	-	-
Net Carrying amount of Goodwill	**4**	**-**

(i) Goodwill generated during acquisition of extrusion business of Kuppam unit. As a result of goodwill impairment test for the year ended 31/03/2022, no goodwill impairment was identified as the recoverable value of the CGUs to whom goodwill was allocated exceeded their respective carrying amount.

(ii) Refer note 53 Business Combination for further details.

4B Intangible Assets and Intangible Assets under Development

Refer Note 1B (F) for accounting policy on Intangible Assets

Refer Note 1B (G) for accounting policy on Stripping cost

Refer Note 1B (I) for accounting policy on Impairment of Non-Current Assets

Refer Note 1B (S) for accounting policy on Borrowing cost

(₹ in Crore)

	As at 31/03/2022	As at 31/03/2021
Cost	1,076	777
Less: Accumulated Amortization and Impairment	547	456
Net Carrying amount of Intangible Assets	529	321
Intangible Assets under Development (IAUD) - (b)	**8**	**122**

(₹ in Crore)

Particulars	ORIGINAL COST					ACCUMULATED AMORTIZATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2021	Addition	Addition due to acquisition *	Disposal/ Adjust-ments	As at March 31, 2022	As at April 01, 2021	Addition	Disposal/ Adjust-ments	As at March 31, 2022	As at April 01, 2021	Recognised/ (Reversed)	Disposal/ Adjust-ments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Mining rights	661	86	-	13	760	304	85	1	390	44	-	-	44	326	313
Technology and Software	116	179	8	(2)	301	108	7	(2)	113	-	-	-	-	188	8
Customer related Intangible Assets	-	-	15	-	15	-	-	-	-	-	-	-	-	15	-
Total	**777**	**265**	**23**	**11**	**1,076**	**412**	**92**	**(1)**	**503**	**44**	**-**	**-**	**44**	**529**	**321**

* refer note 53 Business Combination

(₹ in Crore)

Particulars	ORIGINAL COST					ACCUMULATED AMORTIZATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2020	Addition	Addition due to acquisition	Disposal/ Adjust-ments	As at March 31, 2021	As at April 01, 2020	Addition	Disposal/ Adjust-ments	As at March 31, 2021	As at April 01, 2020	Recognised/ (Reversed)	Disposal/ Adjust-ments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Mining rights	568	58	-	35	661	261	41	2	304	-	44	-	44	313	307
Technology and Software	112	4	-	-	116	105	3	-	108	-	-	-	-	8	7
Total	**680**	**62**	**-**	**35**	**777**	**366**	**44**	**2**	**412**	**-**	**44**	**-**	**44**	**321**	**314**

(a) Addition in Mining Rights includes ₹ 57 crores (as at 31/03/2021, ₹ 44 crore) and amortization expense includes ₹ 76 crore (as at 31/03/2021, ₹ 20 crore) towards stripping activity assets.

(b) The Carrying amount of Intangible Asset under Development as at 31/03/2022 is ₹ 8 crore (as at 31/03/2021 was ₹ 122 crore). During the current year, the Company has capitalised its Enterprise Resource Planning System. The Company has tested the carrying value of Intangible Asset under Development for impairment as at reporting date.

(c)

Items of Intangible Assets	Useful Life (Years)
Mining rights	8-41
Technology and Software	3-10
Customer related Intangible assets	5

(d) Remaining amortisation period of mining rights ranges between 4 -34 years.

(e) **Intangible asset under development (IAUD) ageing schedule as at 31/03/2022**

(₹ in Crore)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2	4	2	-	8
Projects temporarily suspended	-	-	-	-	-
Total	**2**	**4**	**2**	**-**	**8**

Intangible asset under development (IAUD) ageing schedule as at 31/03/2021

(₹ in Crore)

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	50	29	38	5	122
Projects temporarily suspended	-	-	-	-	-
Total	**50**	**29**	**38**	**5**	**122**

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(f) **During the current year no IAUD projects completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2022.**

IAUD completion schedule for projects, whose completion is overdue or has exceeded its cost compared to its original plan as at 31/03/2021 are given below.

(₹ in Crore)

Project name	Suspended Project Details (Yes/No)	To be completed in				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Enterprise Resource Planning System (Project Ekayaan)*	No	116	-	-	-	116

* Project is presented due to time overrun. There is no cost overrun in above project.

(g) All Computer Software items in Intangible Assets (except of Mahan Aluminium, Aditya Aluminium, Kalwa Plants of the Company) are given as security towards Non-convertible debentures of ₹ 6,000 crore (gross) (as at 31/03/2021 ₹ 6,000 crore), refer note - 18A (a).

(h) The useful life of Intangible assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

(i) During the current year, interest capitalised was ₹ 8 crore (31 March 2021: ₹ 6 crore), refer note 33 for further details.

5. Investment in Subsidiaries

(Fully paid-up unless otherwise stated)

Refer Note 1B (A) for accounting policy on Investment in subsidiaries

(₹ in Crore)

Investment in Equity Shares at Cost - (a) and (d)	Face Value	Numbers as at		Value as at	
Unquoted	Per Unit	31/03/2022	31/03/2021	31/03/2022	31/03/2021
A V Minerals (Netherlands) N.V. - (b)	€ 541.05	2,376,838	2,376,838	9,778	10,175
Dahej Harbour & Infrastructure Limited	₹ 10	50,000,000	50,000,000	50	50
East Coast Bauxite Mining Company Pvt Limited	₹ 10	7,400	7,400	-	-
Hindalco Almex Aerospace Limited	₹ 10	172,115,744	172,115,744	83	83
Lucknow Finance Company Limited	₹ 10	9,902,500	9,902,500	10	10
Minerals & Minerals Limited	₹ 10	50,000	50,000	-	-
Renuka Investments & Finance Limited	₹ 10	34,250,000	9,250,000	34	9
Renukeshwar Investments & Finance Limited	₹ 10	4,795,000	4,795,000	5	5
Suvas Holdings Limited	₹ 10	22,149,714	22,149,714	22	22
Utkal Alumina International Limited	₹ 10	6,251,482,818	6,251,482,818	6,362	6,362
Kosala Livelihood and Social Foundation	₹ 10	1,600,000	100,000	1	-
				16,345	**16,716**
Other Equity Investment - (c) (Fair Value of Financial Guarantee given for)					
Utkal Alumina International Limited	NA	NA	NA	75	75
Suvas Holdings Limited	NA	NA	NA	-	-
A V Minerals (Netherlands) N.V.	NA	NA	NA	3	3
				78	**78**
				16,423	**16,794**

(a) Aggregate carrying value of Investments in subsidiaries is ₹ 16,423 crore (as at 31/03/2021 ₹ 16,794). None of the subsidiaries are listed on any stock exchange in India or outside India and these investments are carried at cost. There is no accumulated impairment as at current or previous year end.

(b) During the year, A V Minerals (Netherlands) N.V., a wholly owned subsidiary has remitted US$ 75 Million (₹ 557 crore) to the Company towards return of capital by reducing nominal value of its shares (from € 567.83 to € 541.05 per share). The Company has accounted for the same as reduction in Company's carrying value of investment in the said subsidiary. Foreign exchange gain of ₹ 160 crore arising out of this transaction has been recognised under the (Gain)/ Loss on Foreign Currency Transactions (Net), refer note 37.

(c) Financial guarantees given to subsidiaries were initially recognised at fair value will continue to be accounted as Other Equity Investment until the investment in subsidiaries are derecognised or impaired.

(d) Refer Note - 43 Related Party Disclosure for information on principal place of business of the above Subsidiaries.

6. Investment in Associates and Joint Ventures

(Fully paid-up unless otherwise stated)

Refer Note 1B (B) for accounting policy on Investment in Associates

Refer Note 1B (A) for accounting policy on Investment in Joint Ventures

A Investments in Associates

(₹ in Crore)

	Face Value	Numbers as at		Value as at	
	Per Unit	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Investment in Equity Shares at FVTOCI - (a) and (c)					
Unquoted					
Aditya Birla Science and Technology Company Private Limited	₹ 10	9,800,000	9,800,000	59	74
Aditya Birla Renewables Subsidiary Limited	₹ 10	6,895,200	6,895,200	47	54
Aditya Birla Renewables Solar Limited	₹ 10	8,307,000	130,000	48	-
Total (A)				**154**	128

B Investments in Joint Ventures

Investment in Equity Shares at Cost - (a) and (c)

Unquoted

	Face Value Per Unit	Numbers as at 31/03/2022	Numbers as at 31/03/2021	Value as at 31/03/2022	Value as at 31/03/2021
MNH Shakti Limited - (b)	₹ 10	5,265,000	12,765,000	5	13
Hydromine Global Minerals GMBH Limited	$ 100	66,562	66,562	1	1
Total (B)				**6**	**14**
Investment in Associates and Joint Ventures (A+B)				**160**	142

(a) Aggregate amount of investments is given below:

(₹ in Crore)

Aggregate cost of unquoted investments in Associates	25	17
Aggregate cost of unquoted investments in Joint Ventures	38	46
Impairment on unquoted investments in a Joint Venture	(32)	(32)

(b) Pursuant to order received by MNH Shakti Limited from Hon'ble NCLT related its capital reduction, the Company has received amount of ₹ 8 crore during the year.

(c) Refer Note - 43 Related Party Disclosure for information on principal place of business of the above Associates and Joint Ventures.

7A. Other Investments, Non-Current

Refer Note 1B (P) for accounting policy on Financial Instruments

Equity instruments at FVTOCI - (a)

(Fully paid-up unless otherwise stated)

(₹ in Crore)

	Face Value	Numbers as at		Value as at	
	Per Unit	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Quoted					
Grasim Industries Limited	₹ 2	28,222,468	28,222,468	4,696	4,093
Ultra Tech Cement Limited	₹ 10	1,258,515	1,258,515	831	848
Aditya Birla Fashion & Retail Limited	₹ 10	50,239,794	44,982,142	1,518	905
Aditya Birla Fashion & Retail Limited (Partly paid up) - (b)	₹ 7.50	-	5,257,652	-	89
Vodafone Idea Limited	₹ 10	751,119,164	751,119,164	725	695
Aditya Birla Capital Limited	₹ 10	39,511,455	39,511,455	425	471
				8,195	7,101
Unquoted					
Sai Wardha Power Generation Limited	₹ 10	2,830,352	2,830,352	-	-
Birla International Limited	CHF 100	2,500	2,500	5	5
Bharuch Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	10	15
				15	20
Debt Instruments at FVTOCI - (a)					
Quoted					
Government Securities - (c)					
6.83% Government of India Bond, 2039		2,000,000	2,000,000	20	20
6.57% Government of India Bond, 2033		5,000,000	5,000,000	48	50
6.45% Government of India Bond, 2029		5,000,000	5,000,000	49	50
5.79% Government of India Bond, 2030		10,000,000	10,000,000	94	96
6.19% Government of India Bond, 2034		10,000,000	10,000,000	92	96
				303	312
Debt Instruments at FVTPL - (a)					
Unquoted					
Mutual Funds					
Investments in Debt Schemes of Mutual Funds				2	4
				2	**4**
				8,515	7,437
(a) Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investments are given below:					
Aggregate Cost of Quoted Investments				1,484	1,470
Aggregate Market value of Quoted Investments				8,498	7,413
Aggregate Cost of Unquoted Investments				25	25
Aggregate amount of impairment in value of investments				3	3
Aggregate Carrying value of Quoted and Unquoted Investments				8,515	7,437

(b) During the previous year, the Company had subscribed to the Rights issue of Aditya Birla Fashion & Retail Limited at ₹ 110 per share (Face value of ₹ 10 and Premium of ₹ 100). The Company had invested ₹ 43 crore (52,57,652 shares at ₹ 82.50 per share) in previous year and Final call of ₹ 14 crore (52,57,652 shares at ₹ 27.50 per share) has been paid during the current year.

(c) Investments in Government Securities include ₹ 25 crore (as at 31/03/2021 ₹ 242 crore) being deposit as margin money with counter parties for derivative transactions.

7B. Investments, Current

Refer Note 1B (P) for accounting policy on Financial Instruments

(₹ in Crore)

	Face Value	Numbers as at		Value as at	
	Per Unit	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Equity instruments at FVTOCI - (b)					
(Fully paid-up unless otherwise stated)					
Quoted					
National Aluminium Company Limited	₹ 5	-	18,385,327	-	99
				-	99
Investments in Government securities at FVTOCI - (b)					
Quoted					
7.95% GOI FCI Special Bonds, 2026	₹ 100	513,000	513,000	5	5
6.65% GOI FCI Special Bonds, 2023	₹ 100	2,096,600	2,096,600	21	22
7.00% GOI FCI Special Bonds, 2022	₹ 100	3,039,500	3,039,500	31	31
6.20% GOI FCI Special Bonds, 2022	₹ 100	1,432,100	1,432,100	15	15
				72	73
Investments in Debentures and Bonds at FVTPL					
Investment in Other Entities - (b) and (c)					
Quoted					
7.18% NCD of IRFC	₹ 1,000	1,192	1,192	-	-
8.10% NCD of IRFC	₹ 1,000	30,453	30,453	3	4
7.19% NCD NHB	₹ 1,000,000	50	50	5	5
8.12% NCD of REC Limited	₹ 1,000	43,523	43,523	5	5
7.93% NCD of REC Limited	₹ 1,000	-	56,615	-	6
7.22% NCD of REC Limited	₹ 1,000	5,130	5,130	1	1
7.38% NCD of REC Limited	₹ 1,000	10,321	10,321	1	1
8.11% NCD of REC Limited	₹ 1,000,000	250	250	26	27
8.27% NCD of REC Limited	₹ 1,000,000	250	250	26	27
7.18% NCD of PFC	₹ 1,000,000	500	500	52	51
7.19% NCD of PFC	₹ 1,000	9,565	9,565	1	1
7.36% NCD of PFC	₹ 1,000	25,187	25,187	3	3
8.20% NCD of PFC	₹ 1,000	-	36,862	-	4
8.30% NCD of PFC	₹ 1,000	10,163	10,163	1	1
7.07% HUDCO Bonds	₹ 1,000,000	50	50	6	5
7.34% HUDCO Bonds	₹ 1,000	100,000	100,000	10	11
7.51% HUDCO Bonds	₹ 1,000	50,000	50,000	6	6
7.28% NHAI Bonds	₹ 1,000,000	50	50	6	6
				152	164
Investments in Mutual Funds at FVTPL - (a) and (b)					
Quoted					
Investments in Debt Schemes of Mutual Funds				4,333	7,022
				4,557	7,358

Notes
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(a) Investments in Debt Schemes of Mutual Funds include ₹ 320 crore (as at 31/03/2021 ₹ 25 crore) being deposit as margin money with counter parties for derivative transactions.

(b) Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investments are given below:

(₹ in Crore)

Aggregate Cost of Quoted Investments	4,425	7,193
Aggregate Market value of Quoted Investments	4,557	7,358
Aggregate Cost of Unquoted Investments	-	-
Aggregate amount of impairment in value of investments	-	-
Aggregate Carrying value of Quoted and Unquoted Investments	4,557	7,358

(c) NCD stands for Non Convertible Debentures

8. Loans
Refer Note 1B (P) for accounting policy on Financial Instruments

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Loan to Related Parties - (a)	38	167	4	45
Loan to Employees	7	5	7	4
Loan to Others	-	-	-	-
	45	172	11	49

(a) Refer note - 43 for balances with related parties.

(b) Disclosure on Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties, that are repayable on demand are as follows:

Type of Borrower #	Amount of loan or advance in the nature of loan outstanding		% to the total Loans and Advances in the nature of loans	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties:				
i) Aditya Birla Science & Technology Company Private Limited *	-	41	-	68%

*There is no outstanding loan as at March 31, 2022 which is repayable on demand.

During the current and previous year there are no Loans or Advances in the nature of loans granted to promoters, directors, KMPs and the related parties, that are without specifying any terms or period of repayment.

9A. Other Financial Assets, Non-Current
Refer Note 1B (P) for accounting policy on Financial Instruments

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Security Deposits - (a)	122	141
Earmarked balances with Banks - (b)	43	36
Deposit with Non-Banking Financial Company with initial maturity more than 12 months	60	-
Deposit with Others - (a)	7	11
	232	188

(a) Refer note - 43 for balances with related parties.

(b) Earmarked balances mainly includes balance in escrow accounts/ under lien with various authorities.

9B. Other Financial Assets, Current
Refer Note 1B (P) for accounting policy on Financial Instruments

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Security Deposits	53	24
Deposits with Non-Banking Financial Company with initial maturity more than 3 months	915	150
Accrued Interest	44	22
Other Receivables		
Unsecured, Considered Good	144	58
Unsecured, Considered Doubtful	2	12
Less: Allowance for Doubtful Receivables	(2)	(12)
	1,156	254

10. Other Non Current and Current Assets
(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Considered Good				
Capital Advance	221	-	115	-
Advance to Employees	-	6	-	11
Deposit with Government and Other Authorities	-	30	-	37
Advance to Supplier for Goods and Services - (a)	2	1,158	89	604
Prepaid Expenses - (b)	6	72	5	55
Others - (c) and (d)	531	1,167	634	731
	760	2,433	843	1,438

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(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Considered Doubtful				
Advance to Supplier for Goods and Services	22	108	12	109
Others	-	11	-	11
Less: Allowance for Doubtful amount	(22)	(119)	(12)	(120)
Unsecured, Considered Doubtful	-	-	-	-
	760	**2,433**	843	1,438

(a) Refer note - 43 for balances with related parties.

(b) Prepaid Expenses include ₹ 24 crore (as at 31/03/2021 ₹ 12 crore) excess CSR spent carried forward to subsequent years. Refer note 56A for further details.

(c) Mainly includes unutilised Indirect tax credits and claims receivables from Indirect Tax Authorities.

(d) Includes ₹ 192 crore (Garepalma ₹ 74 crore and Kathautia ₹ 118 crore) [as at 31/03/2021 ₹ 192 crore (Garepalma ₹ 74 crore and Kathautia ₹ 118 crore)] towards appropriation of Performance Bank Guarantee by Nominated Authority (NA). Refer note - 52 for further details.

11. Inventories

Refer Note 1B (M) for accounting policy on Inventories

(₹ in Crore)

	As at 31/03/2022			As at 31/03/2021		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Raw Materials	3,061	5,529	8,590	2,010	5,120	7,130
Work-in-Progress	8,211	57	8,268	6,395	33	6,428
Finished Goods	1,832	248	2,080	1,288	160	1,448
Stock-in-Trade	884	-	884	4	-	4
Stores and Spares	699	16	715	578	53	631
Coal and Fuel	402	9	411	339	9	348
	15,089	**5,859**	**20,948**	10,614	5,375	15,989

(a) The Company has extended fair value hedge accounting on its inventory which forms part of Work-in-Progress and Finished Goods, Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and is taken to profit and loss when the inventory is either sold or consumed, refer note - 49A and 49H.

(b) For Inventories hypothecated against secure short-term borrowings, refer note - 18B (a).

(c) Write downs of inventories (net of reversal) to net realizable value related to raw materials, work-in-progress and finished goods amounted to ₹ 586 crore (as at 31/03/2021 ₹ 349 crore). These were recognized as expense during the year and included in 'cost of raw material consumed' and 'change in value of inventories of work-in-progress and finished goods' in statement of Profit and Loss.

(d) Inventories in hand include bulk materials of Coal, Bauxite and Copper Concentrate lying at yards, mines, plants and precious metals of Gold and Silver lying at Copper smelter and refinery aggregating to ₹ 4,302 crore (as at 31/03/2021 ₹ 3,179 crore).

12. Trade Receivables

Refer Note 1B (N) for accounting policy on Trade receivable

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Trade Receivables:		
Secured, Considered Good	3	4
Unsecured, Considered Good	2,671	1,600
Unsecured, Credit Impaired	34	30
	2,708	1,634
Less: Loss Allowances - (d)	(37)	(32)
	2,671	1,602

(a) Trade Receivable ageing schedule as at 31 March 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 yrs.	More than 3 yrs.	
(i) Undisputed – considered good	-	2,439	219	9	1	-	6	2,674
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	1	1
(iii) Undisputed – credit impaired	-	-	-	-	-	-	9	9
(iv) Disputed – considered good	-	-	-	-	-	-	-	-
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	3	-	3
(vi) Disputed – credit impaired	-	-	-	-	-	-	21	21
Total	**-**	**2,439**	**219**	**9**	**1**	**3**	**37**	**2,708**
Less: Loss Allowances								(37)
Net Trade Receivables								**2,671**

Trade Receivable ageing schedule as at 31 March 2021

Particulars	Unbilled	Not due	Outstanding for following periods from due date of receipt					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 yrs.	More than 3 yrs.	
(i) Undisputed – considered good	-	1,268	324	4	2	-	6	1,604
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	0	-	9	9
(iv) Disputed – considered good	-	-	-	-	-	-	-	-
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	-	21	21
Total	**-**	**1,268**	**324**	**4**	**2**	**-**	**36**	**1,634**
Less: Loss Allowances								(32)
Net Trade Receivables								**1,602**

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(b) For trade receivables hypothecated against borrowings, refer note - 18B (a)

(c) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

(d) Loss allowances includes provision of ₹ 3 crore (31/03/2021: ₹ 2 crore) made on account of expected credit loss on Trade Receivables, refer note - 48 (C)

(e) Refer note - 43 for balances with related parties.

13. Cash and Cash Equivalents
Refer Note 1B (R) for accounting policy on Cash and cash equivalents

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Cash in Hand	-	-
Cheques and Drafts in Hand - (a)	14	8
Balances with Banks		
Current Accounts	281	254
Deposit with Initial maturity of less than three months	2,500	-
Short term liquid Investments in Mutual Funds	610	741
	3,405	1,003

(a) Includes Nil (as at 31/03/2021 ₹ 3 crore) remittance in transit.

(b) There is no restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

14. Bank Balances other than Cash and Cash Equivalents
Refer Note 1B (P) for accounting policy on Financial Instruments

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Balances with Banks		
Earmarked Balances - (a)	14	13
Deposits with Initial Maturity more than three months	3,001	3
	3,015	16

(a) Includes unclaimed dividend of ₹ 5 crore(as at 31/03/2021 ₹ 4 crore)

15. Non-Current Assets classified as Held For Sale
Refer Note 1B (H) for accounting policy on Non-current assets (or disposal groups) held for sale

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Non-Current assets classified as Held for Sale	3	4
	3	4
(a) **Assets held for sale**		
Land and Building	1	1
Plant and Machinery	2	3
Total	3	4

(b) The fair value of the assets held for sale approximates the carrying value.

(c) The Company is in the process of disposing the remaining assets.

16. Equity Share Capital

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Authorised		
2,500,000,000 (as at 31/03/2021: 2,500,000,000) Equity Shares of ₹ 1/- each	250	250
25,000,000 (as at 31/03/2021: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5	5
	255	255
Issued		
2,247,726,370 (as at 31/03/2021: 2,247,237,893) Equity Shares of ₹ 1/- each - (a)	225	225
	225	225
Subscribed and Paid-up		
2,247,718,973 (as at 31/03/2021: 2,247,230,496) Equity Shares of ₹ 1/- each fully paid-up	225	225
Less: Face Value of 546,249 (as at 31/03/2021: 546,249) Equity Shares forfeited	-	-
Add: Forfeited Shares (Amount originally Paid up)	-	-
	225	225
Less: Treasury Shares		
16,316,130 (as at 31/03/2021: 16,316,130) Equity Shares. - (b)	(2)	(2)
7,064,997 (as at 31/03/2021: 5,824,965) Equity Shares - (c)	(1)	(1)
	222	222

(a) Issued Equity Capital as at 31/03/2022 includes 7,397 Equity Shares (as at 31/03/2021 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

(b) Treasury shares include shares held by Trident Trust which represents 16,316,130 (as at 31/03/2021: 16,316,130) equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangements approved by the Hon'ble High Courts of Mumbai and of Allahabad, vide their Orders dated 31st October, 2002, and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to January 23, 2024.

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(c) Treasury shares include shares held by Hindalco Employee Welfare Trust (ESOP Trust)which represents 7,064,997 equity shares (as at 31/03/2021 5,824,965 Equity Shares) of ₹ 1/- each fully paid-up of the Company. The Trust buys shares of the Company from the market, for giving shares to employees pursuant to the Employees Stock Option Scheme, 2018. Refer note 17 (A) (viii) for further details.

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

	As at			
	31/03/2022		31/03/2021	
	Numbers	₹ in Crore	Numbers	₹ in Crore
Equity shares outstanding at the beginning of the year	2,224,543,152	222	2,224,020,885	222
Equity shares allotted pursuant to exercise of Employee Stock Option Scheme (ESOS)	488,477	-	461,560	-
Equity shares purchased by Hindalco Employee Welfare Trust from market pursuant to ESOS	(2,119,000)	-	-	-
Equity shares allotted pursuant to exercise of ESOS through Hindalco Employee Welfare Trust	878,968	-	60,707	-
Equity shares outstanding at the end of the year	2,223,791,597	222	2,224,543,152	222

(e) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 1/- 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 case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(f) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at			
	31/03/2022		31/03/2021	
	Number of Shares Held	Percentage of Holding *	Number of Shares Held	Percentage of Holding *
IGH Holdings Private Limited	350,088,487	15.58	349,963,487	15.58%
Birla Group Holdings Private Limited	228,292,308	10.16	228,292,308	10.16%
Life Insurance Corporation of India and its Associates	189,588,459	8.44	203,135,624	9.04%
Morgan Guaranty Trust Company of New York	98,270,986	4.37	151,010,943	6.72%

* Percentage have been calculated on the basis of total number of shares outstanding (before adjusting shares held by Trident Trust and ESOP Trust, refer footnote (b) and (c) above.

(g) Shares held by promoters at the end of the year and Movement

Promoter's Name $	No. of Sharesas at 31/03/2022	Percentage of total shares *	No. of Sharesas at 31/03/2022	Percentage of total shares *	% Change during the Year
Kumar Mangalam Birla	901,635	0.04	901,635	0.04	-
Birla Group Holdings Private Limited	228,292,308	10.16	228,292,308	10.16	-
Total	**229,193,943**		**229,193,943**		

$ Promoter here means promoter as defined in Section 2(69) of the Companies Act, 2013.

* Percentage have been calculated on the basis of total number of shares outstanding (before adjusting shares held by Trident Trust and ESOP Trust, refer footnote (b) and (c) above.

(h) Shares reserved for issue under options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes, refer note 42 - Employee Share-based Payments for details of Employee Stock Option Schemes.

(i) The Company during the preceding 5 years:

i. Has not allotted shares pursuant to contracts without payment received in cash.

ii. Has not issued shares by way of bonus shares.

iii. Has not bought back any shares.

(j) The Board of Directors of the Company has recommended final dividend of ₹ 4 per share aggregating to ₹ 899 crore for the year ended 31/03/2022 which has not been recognised in the financial statement.

17. Other Equity

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Share Application Money pending Allotment	-	-
Reserves and Surplus		
Capital Reserve	145	145
Capital Redemption Reserve	102	102
Business Reconstruction Reserve	7,715	7,715
Securities Premium	8,233	8,224
Debenture Redemption Reserve	1,500	1,350
Employee Stock Options	76	55
Treasury Shares held by ESOP Trust	(199)	(129)
General Reserve	21,354	21,354
Retained Earning	10,252	5,494
	49,178	44,310
Other Reserves		
Gain/ (Loss) on Equity Instruments FVTOCI	6,923	6,117
Gain/ (Loss) on Debt Instruments FVTOCI	(5)	1
Effective portion of Cash Flow Hedge	(1,851)	(596)
Cost of Hedging Reserve	(39)	10
	5,028	5,532
	54,206	49,842

(A) Brief Descriptions of items of Other Equity are given below:

(i) Share Application Money pending Allotment:

Share application money pending allotment represents amount received from employees who has exercised employee stock options for which shares are pending allotment as on balance sheet date.

(ii) Capital Reserve:

The Company has created capital reserve pursuant to past mergers and acquisitions.

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(iii) Capital Redemption Reserve:

The Company has created capital redemption reserve as per the requirement of the Companies Act.

(iv) Business Reconstruction Reserve:

The Company had formulated a scheme of financial restructuring under sections 391 to 394 of the Companies Act 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme.

(v) Securities Premium:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Act.

(vi) Debenture Redemption Reserve:

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend, for the purpose of redemption of debentures.

(vii) Employee Stock Options:

The employee stock option account is used to recognize the grant date fair value of options /RSUs issued to employees under stock option schemes.

(viii) Treasury Shares held by ESOP Trust

The Company has created a trust, namely "Hindalco Employee Welfare Trust"(ESOP Trust) for providing share-based payments to its employees (including its Subsidiaries' employees). The Company uses this Trust as a vehicle for distributing shares to employees covered under Scheme. The Trust buys shares of the Company from the market, for giving shares to employees under the Employees Stock Option Scheme, 2018.

Shares held by Trust are treated as Treasury shares. Equity instruments that are reacquired (Treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in Statement of Profit and Loss on purchase, sale, issue or cancellation of Equity instruments. Share options whenever exercised, would be utilised from such treasury shares, refer note 42.

(ix) General Reserve:

The Company has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend in the past.

(x) Retained Earning

Amount of retained earnings represents accumulated profit and losses of the Company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI. Actuarial Gain/ Loss arising out of Actuarial valuation is immediately transferred to Retained Earning.

(xi) Other Reserves

a) Gain/ (Loss) on equity and debt instruments accounted as FVTOCI

The Company has elected to recognize changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve and FVTOCI debt investment reserve within equity.

b) Effective portion of Cash Flow Hedge:

The Company uses hedging instruments as part of its risk management policy for commodity and foreign currency risk as described in note 49. The Cash Flow hedging reserve is used to recognise the effective portion of gain or loss on designated hedging relationship, refer note 49 (E) and 49 (F).

c) Cost of Hedging Reserve:

The Company designates the spot component of some of its derivative instruments in fair value hedge relationship and cash flow hedge relationship. The Company defers changes in the forward element of such instruments in the cost of hedging reserve. For fair value hedge forward points at inception is amortized on a straight line basis from the OCI based on the remaining life of trade. For cash flow hedge the deferred cost of hedging are included in the initial cost of the related hedged items when it is recognized or reclassified to the statement of profit and loss when the hedged item effects the statement of profit and loss. The Company designates the intrinsic value of option contracts whereas the time value of option contracts is included in the cost of hedging reserve, refer note 49 (E) and 49 (F).

(B) Movement of each item of other equity is presented in Statement of Changes in Equity (SOCIE).

18A.Borrowings, Non-Current

Refer Note 1B (P) for accounting policy on Financial Instruments

(₹ in Crore)

Particulars	As at					
	31/03/2022			31/03/2021		
	Non-Current Portion	Current Maturities #	Total	Non-Current Portion	Current Maturities #	Total
Secured						
Debentures						
Secured Non-Convertible Debentures - (a)	-	5,999	5,999	5,997	-	5,997
Term Loans						
From Banks						
Rupee Term Loans - (b)	11,668	8	11,676	9,177	8	9,185
Foreign Currency Term Loans - (c)	-	-	-	-	457	457
	11,668	6,007	17,675	15,174	465	15,639

Current maturities of non-current borrowings have been disclosed under "Borrowings, Current", refer note 18B.

(a) Debentures comprise of following:

(₹ in Crore)

	As at				
	31/03/2022		31/03/2021		Redemption Date
	Gross Amount	Carrying Value	Gross Amount	Carrying Value	
30,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	3,000	3,000	3,000	2,999	25/04/2022
15,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	1,500	1,500	1,500	1,499	27/06/2022
15,000 9.60% Redeemable Non-Convertible Debentures of ₹ 10 lakhs each	1,500	1,499	1,500	1,499	02/08/2022
	6,000	5,999	6,000	5,997	

All the above Debentures are secured by movable items of Property, Plant and Equipment, both present and future (except movable assets of Mahan Aluminium plant, Aditya Aluminium plant, Kalwa plant, Current Assets of the Company) and certain immovable properties of the Company, refer note - 2A (c) (iii).

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(b) Rupee term loan from banks comprise of following:

(₹ in Crore)

	Note	Rate of Interest^	As at 31/03/2022 Gross Amount	31/03/2022 Carrying Value	31/03/2021 Gross Amount	31/03/2021 Carrying Value	End of tenure
Axis Bank		Repo Rate + 275 bps	619	602	619	610	31/03/2030
State Bank of India		MCLR 3 Month + 10 bps	2,239	2,216	2,239	2,227	31/03/2030
ICICI Bank		Repo Rate + 275 bps *	76	75	84	84	31/03/2030
Rupee Term Loans : (A)	(I)		**2,934**	**2,893**	**2,942**	**2,921**	
State Bank of India		MCLR 3 Month + 10 bps	4,672	4,665	4,672	4,657	01/09/2030
PNB Bank		MCLR 1 Month + 5 bps	256	255	256	255	01/09/2030
Axis Bank		Repo Rate + 275 bps	1,371	1,363	1,371	1,352	01/09/2030
Rupee Term Loans : (B)	(II)		**6,299**	**6,283**	**6,299**	**6,264**	
SBI Bank		MCLR 3 Month + 15 bps	2,500	2,500	-	-	31/12/2031
Rupee Term Loans : (C)	(III)		**2,500**	**2,500**	**-**	**-**	
Total Rupee Term Loans (A)+(B)+(C)			**11,733**	**11,676**	**9,241**	**9,185**	

* Benchmark changed w.e.f. February 2022. Previous benchmark was T-bill.

^ Definition of abbreviation used

(i) 100 basis points (bps) is equal to 1%

(ii) Repo rate is the rate at which RBI lends funds to commercial banks.

(iii) Marginal Cost of funds based Lending Rate (MCLR) is a tenor-linked internal benchmark rate of respective bank

(iv) Treasury Bill (T-bill) means the rate of interest published by the Financial Benchmarks India Pvt. Ltd. ("FBIL").

(I) The term loans from banks of ₹ 2,934 crore (gross) (31/03/2021: ₹ 2,942 crore) are secured by a first ranking charge/ mortgage/ security interest in respect of all the movable and immovable items of Property, Plant and Equipment of Mahan Aluminium plant, both present and future. ₹ 2,858 crore (gross) (31/03/2021: ₹ 2,858 crore) is to be repaid in 16 quarterly instalments commencing from June 2026. Balance ₹ 76 crore (gross) (31/03/2021: ₹ 84 crore) is to be repaid in 32 quarterly instalments (31/03/2021: 36 quarterly instalments) as per original repayment schedule effective June 2020, refer note - 2A(c) (i).

(II) The term loan of ₹ 6,299 crore (gross) (31/03/2021: ₹ 6,299 crore) is secured by a first ranking charge/ mortgage/security interest in respect of all the movable and immovable items of Property, Plant and Equipment of Aditya Aluminium plant both present and future. ₹ 6,299 crore (gross) (31/03/2021: ₹ 6,299 crore) is to be repaid in 26 quarterly instalments commencing from May 2024, refer note - 2A(c) (ii).

(III) The term loan of ₹ 2,500 crore (gross) is secured by a first ranking charge/ mortgage/security interest in respect of all the movable and immovable items of Property, Plant and Equipment of Mahan Aluminium plant both present and future. ₹ 2,500 crore (gross) is to be repaid in 34 quarterly instalments commencing from September 2023, refer note - 2A(c) (i).

(c) Foreign currency term loans from bank comprise of following:

(₹ in Crore)

	Currency	Rate of Interest	As at 31/03/2022 Gross Amount	31/03/2022 Carrying Value	31/03/2021 Gross Amount	31/03/2021 Carrying Value	End of tenure
Bank of Tokyo Mitsubishi (BTMU)	USD	LIBOR 3M + 135 bps	-	-	293	291	31/03/2022
Bank of Tokyo Mitsubishi (BTMU)	USD	LIBOR 3M + 135 bps	-	-	167	166	30/06/2022
Foreign Currency Term Loans : Mahan Unit			**-**	**-**	**460**	**457**	

Foreign currency term loan pertained to loan from Bank of Tokyo Mitsubishi (BTMU) of USD 40 Millions and USD 22.79 Millions. BTMU loan was secured by a pari-passu first charge on all movable Property, Plant and Equipment of Mahan Aluminium plant, both present and future, refer note - 2A (c) (i). The Company has prepaid both the loans in April 2021.

(d) Changes in liabilities arising from financing activities

(₹ in Crore)

Particulars	Other Assets: Cash and Cash Equivalents	Liabilities from Financing Activities: Non Current Borrowings	Current Borrowings	Lease Liabilities	Supplier's Credit	Total
Balance as at April 01, 2020 #	**3,231**	**16,199**	**7,419**	**317**	**-**	**27,166**
Additions	-	-	-	17	-	17
Cash Flows (Net)	(2,228)	(6)	(2,829)	(69)	255	(4,877)
Foreign Exchange Adjustments	-	(14)	(265)	-	-	(279)
Fair Value Changes, refer note 27 (b)	-	(56)	-	-	-	(56)
Debt Issuance Costs and Amortisation	-	49	-	-	-	49
Interest Expense **	-	1,232	140	25	-	1,397
Interest Paid **	-	(1,242)	(171)	(22)	-	(1,435)
Other Changes/ Reclassification - Modification/ Reassessment	-	-	-	43	-	43
Balance as at March 31, 2021 #	**1,003**	**16,162**	**4,294**	**311**	**255**	**22,025**
Additions	-	-	-	131	-	131
Cash Flows (Net)	2,402	2,032	(2,923)	(71)	2,161	3,601
Foreign Exchange Adjustments	-	1	36	-	40	77
Fair Value Changes, refer note 27 (b)	-	(53)	-	-	-	(53)
Debt Issuance Costs and Amortisation	-	57	-	-	-	57
Interest Expense **	-	1,201	63	26	8	1,298
Interest Paid **	-	(1,198)	(61)	(23)	(8)	(1,290)
Other Changes/ Reclassification - Modification/ Reassessment	-	-	-	(32)	-	(32)
Balance as at March 31, 2022 #	**3,405**	**18,202**	**1,409**	**342**	**2,456**	**25,814**

\# Borrowings include Interest accrued on borrowings and current maturities of related borrowings.

** Interest expense and interest paid relates to borrowings and lease liabilities before interest capitalisation.

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18B. Borrowings, Current
Refer Note 1B (P) for accounting policy on Financial Instruments

(₹ in Crore)

	As at 31/03/2022	As at 31/03/2021
Secured		
Rupee Loans from Banks - (a)	3	5
	3	5
Unsecured		
Rupee Loans from Banks - (c)	-	40
Foreign currency Loans from Indian Banks - (b)	1,401	2,607
Foreign currency Loans from Foreign Banks - (b)	-	1,638
Other Borrowings	-	-
	1,401	4,285
Current maturities of Long-Term Borrowings	6,007	465
	7,411	4,755

(a) Working Capital loan for Aluminium business, granted under the Consortium Lending Arrangement, are secured by a first pari-passu charge on entire stocks of raw materials, work-in-process, finished goods, consumable stores and spares and also book debts pertaining to the Company's Aluminium business, both present and future. Working Capital loan for the Copper business is secured by a first pari passu charge on stocks of raw materials, work-in-process, finished goods and consumable stores and spares and also book debts and other movable assets of Copper business, both present and future, refer note 11 (b) and 12 (b).

(b) Foreign currency loans from Indian Banks and Offshore branch of Foreign banks are mainly in nature of Buyers credit which has been availed for Copper business to meet its working capital requirement mostly to settle import payments of copper concentrate and certain other raw materials. Refer note 49C on non-derivative financial instruments used as hedging instruments.

(c) Rupee Loans from Banks represents loan taken to meet the Company's working capital requirements.

(d) Loan Details are as follows:

(₹ in Crore)

	Currency	Rate of Interest #	Terms of Repayment #	As at Carrying amount 31/03/2022	As at Carrying amount 31/03/2021
Secured					
Rupee Loans from Banks @	INR	-	Payable on demand	3	5
Unsecured					
Rupee Loans from Banks	INR	-	-	-	40
Foreign currency Loans from Indian Banks	USD	6M SOFR*	Payable from Apr 22- May 22	1,401	2,607
Foreign currency Loans from Foreign Banks	USD	-	-	-	1,638
				1,404	4,290

Rate of Interest and Terms of repayment pertains to borrowing outstanding as at 31/03/2022.

@ This consist of Cash Credit (CC) balance.

* SOFR stands for Secured Overnight Financing Rate.

19. Supplier's Credit

(₹ in Crore)

	As at 31/03/2022 Non-Current	31/03/2022 Current	31/03/2021 Non-Current	31/03/2021 Current
Supplier's Credit (a)	-	2,456	-	255
	-	2,456	-	255

(a) Supplier's credit represents the extended interest bearing credit offered by the supplier which is secured against Usance Letter of Credit (LC). Under this arrangement, the supplier is eligible to receive payment from negotiating bank prior to the expiry of the extended credit period. The interest for the extended credit period payable to the bank on maturity of the LC has been presented under Finance Cost.

20. Trade Payables
Refer Note 1B (O) for accounting policy on Trade and other payables

(₹ in Crore)

	As at 31/03/2022 Non-Current	31/03/2022 Current	31/03/2021 Non-Current	31/03/2021 Current
Micro and Small Enterprises - (b)	-	96	-	52
Other than Micro and Small Enterprises - (c) and (d)	-	10,919	-	8,748
	-	11,015	-	8,800

(a) **Trade Payables ageing schedule as at 31 March 2022**

S. No.	Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	14	31	44	3	3	1	96
(ii)	Others	865	2,351	7,516	26	22	52	10,832
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	21	22	44	-	87
	Total	879	2,382	7,581	51	69	53	11,015

Trade Payables ageing schedule as at 31 March 2021

S. No.	Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	3	12	31	5	-	1	52
(ii)	Others	548	1,659	6,302	24	10	70	8,613
(iii)	Disputed dues- MSME	-	-	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	24	53	12	46	135
	Total	551	1,671	6,357	82	22	117	8,800

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(b) Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
(i) Principal amount outstanding	94	51
(ii) Interest on Principal amount due thereon	-	-
(iii) Interest and Principal amount paid beyond appointment day	50	46
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	2	1
(v) The amount of interest accrued and remaining unpaid at the end of the year.	2	1
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	2	1

(c) Refer note - 43 for balances with related parties.

(d) Refer note 49 (A) on non-derivative financial instruments used as hedging instruments.

21A. Other Financial Liabilities, Non-Current
Refer Note 1B (P) for accounting policy on Financial Instruments

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Liability for Capital Expenditure	8	4
Retention Amount Payable	2	6
Security and Other deposits	3	-
	13	10

21B. Other Financial Liabilities, Current
Refer Note 1B (P) for accounting policy on Financial Instruments

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Interest Accrued but not due	532	527
Liability for Capital Expenditure	304	281
Retention Amount Payable	118	94
Security and Other deposits	41	31
Investor Education and Protection Fund		
Unclaimed Dividends - (a)	5	4
Temporary Book Overdraft	-	-
	1,000	937

(a) This amount do not include any amount due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.09 crore (as at 31/03/2021 ₹ 0.09 crore) which is held in abeyance due to legal cases pending.

22. Provisions
Refer Note 1B (K) for accounting policy on Provisions and contingencies
Refer Note 1B (U) for accounting policy on Employee Benefits

(₹ in Crore)

	As at					
	31/03/2022			31/03/2021		
	Non-Current	Current	Total	Non-Current	Current	Total
Employee Benefits Provisions, (refer note 31) - A	**142**	**275**	**417**	**174**	**268**	**442**
Other Provisions - B						
Asset Retirement Obligations	110	-	110	99	-	99
Environmental Liability	83	179	262	9	54	63
Enterprise Social Commitment	138	10	148	139	9	148
Legal Cases	-	383	383	-	331	331
Renewable Power Obligation	-	148	148	-	156	156
Miscellaneous Provisions	1	11	12	-	13	13
	332	**731**	**1,063**	**247**	**563**	**810**
Total (A+B)	**474**	**1,006**	**1,480**	421	831	1,252

(a) The details of provisions movement are as under:

(₹ in Crore)

Particulars	Assets Retirement Obligations	Environ-mental Liability	Enterprise Social Commitment	Legal Cases	Renewable Power Obligation	Miscella-neous Provisions	Total
Balance as at April 01, 2020	**95**	**53**	**144**	**425**	**171**	**13**	**901**
Provision made during the year	-	16	-	12	75	-	103
Reclassified	-	-	-	-	-	-	-
Provision utilised during the year	-	(7)	(5)	(67)	(33)	-	(112)
Provision reversed during the year (c) and (d)	-	-	-	(39)	(57)	-	(96)
Unwinding of discount	4	1	9	-	-	-	14
Balance as at March 31, 2021	**99**	**63**	**148**	**331**	**156**	**13**	**810**
Provision made during the year	6	200	-	53	112	-	371
Reclassified	-	-	-	-	-	-	-
Provision utilised during the year	(1)	(2)	(10)	(1)	(107)	(1)	(122)
Provision reversed during the year (c)	-	-	-	-	(13)	-	(13)
Unwinding of discount	6	1	10	-	-	-	17
Balance as at March 31, 2022	**110**	**262**	**148**	**383**	**148**	**12**	**1,063**

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(b) Brief Description of Provisions

i) Assets Retirement Obligations

Asset Retirement Obligation (ARO) is a legal or constructive obligation associated with the ash ponds, ash pipeline and coal transportation system at captive power plants, red mud ponds at refineries and mining area where these lands need to be restored back to usable condition after closing of activities. This is a statutory requirement in which the timing or method of settlement may be conditional on one or multiple future events, the occurrence of which may not be within the control of the entity. The outflow of economic resources is expected during FY 23 to FY 47. The same has been appropriately discounted.

ii) Environmental Liability

Environmental Liability associated with Wild Life Conservation Plan (WLCP) and disposal of hazardous material generated during the course of manufacturing or mining operation e.g. disposal of spent pot lining, Gypsum, Slag, Ash etc. This disposal generally takes place as per the guidelines set by various regulatory authorities of States and Central Government. The outflow of economic resources is generally expected during FY 23 to FY 31.

iii) Enterprise Social Commitment

Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area where new project is being setup. This is generally defined as a certain percentage of the total cost of the project. The outflow of economic resources is expected during FY 23 to FY 56. This has been appropriately discounted wherever necessary.

iv) Legal Cases

There are few Legal cases against which provision has been made since these events are probable to happen i.e. more likely than not but timing of occurrence of such events is uncertain as it depends on when the matter will be settled at the highest Court of Law.

v) Renewable Power Obligation (RPO)

Some of our units situated in various states like Odisha, Madhya Pradesh , Maharashtra ,Gujarat, Jharkhand etc. who gets power from Captive power plants or procure power from open source, are obligated to purchase certain portion of their power consumption from Renewable Energy sources both solar and non-solar. This gives rise to Renewable Power Obligation (RPO). In case the obligated units fail to procure power from such renewable sources, they may satisfy the obligation by purchasing Renewable Energy Certificates from authorised exchanges as an alternative.

vi) Miscellaneous Provision

Includes Statutory provisions related to Indirect Taxes, Coal Cess etc.

(c) Reversal of RPO Provision

Pursuant to the issuance of notification by Madhya Pradesh Electricity Regulatory Commission (MPERC), the Company has reversed the excess RPO provision of ₹ 13 crore related to FY 21 in current year and during previous year pursuant to the issuance of notification by Madhya Pradesh Electricity Regulatory Commission (MPERC) dated April 05, 2021, the Company has reversed the excess RPO provision of ₹ 21 crore related to FY 20. Additionally ₹ 36 crore has been reversed on account of reduction in Solar certificate rate from ₹ 2,400/REC to ₹ 1,000/REC.   .

(d) Reversal of Legal cases Provision

During previous year reversal of ₹ 39 crore includes reversal of ₹ 37 crore on account of UP Transit Fees and ₹ 2 crore on account of Energy Compensation Charges.

23 Income Taxes

Refer Note 1B (W) for accounting policy on Income Taxes

A Current Tax and Deferred Tax Expense

(₹ in Crore)

		Year ended	
		31/03/2022	31/03/2021
(a)	**Income tax expenses recognised in Statement of Profit and Loss**		
	Current Tax		
	Current income tax Expenses for the year	1,496	283
	Tax Adjustment for earlier years	-	-
		1,496	**283**
	Deferred Tax		
	Deferred Income Tax (benefits)/expenses for the year	1,057	581
	MAT Credit Entitlement	397	(283)
		1,454	**298**
	Total Income Tax Expenses recognised in Statement of Profit and Loss for the year	**2,950**	**581**
(b)	**Reconciliation of estimated Income Tax Expenses at Indian Statutory Income Tax Rate to Income Tax Expenses reported in Statement of the Comprehensive Income**		
	Profit before Income Taxes	8,457	1,574
	Indian Statutory Income Tax Rate *	34.94%	34.94%
	Estimated Income Tax Expenses	**2,955**	**550**
	Tax effect of adjustments to reconcile expected Income Tax expenses to reported Income Tax Expenses:		
	Income Exempt from Tax	(1)	(1)
	Long-Term Capital (Gains)/Loss	(3)	(3)
	Expenses not deductible in determining Taxable Profit	51	28
	Deduction on Power Plant net of Reversal of depreciation on 80IA Assets during tax holiday period	(13)	-
	Exchange gain on Return of Capital	(56)	-
	Deferred Tax Adjustment for earlier years	17	7
	Current Tax Adjustment for earlier years	-	-
		(5)	**31**
	Income Tax Expenses recognised in the Statement of Profit and Loss	**2,950**	**581**
	*Applicable Indian statutory tax rate for the years ended 31/03/2022 and 31/03/2021 is 34.94%.		
(c)	**Income Tax expenses recognised in OCI**		
	Remeasurement of Defined Benefit Obligations	(3)	20
	Change in Fair Value of Debt and Equity Instruments designated at FVTOCI	231	(3)
	Cash Flow Hedges and Others	(679)	(323)
		(451)	**(306)**
(d)	**Income Tax expense recognised directly in Equity**		
	Basis adjustment on Cash flow hedges & others	(21)	(1)
		(21)	**(1)**

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B Deferred Tax Assets and Liabilities

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Deferred Tax Assets		
Deferred Tax Assets	1,845	2,105
MAT Credit Entitlement	2,040	2,436
	3,885	4,541
Deferred Tax Liabilities		
Deferred Tax Liabilities	(6,833)	(6,507)
	(6,833)	(6,507)
Net Deferred Tax Assets/ (Liabilities)	**(2,948)**	(1,966)

a) **Movement in Deferred Tax Assets and (Liabilities) as of and during the year ended.**

(₹ in Crore)

	Opening Balance 01/04/2021	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Deferred tax on basis adjustment	As at 31/03/2022
Deferred Income Tax Assets					
Provisions deductible for tax purposes in future period	481	44	-	-	525
Tax Losses/Benefits carry forwards, Net #	1,015	(1,015)	-	-	-
Retirement Benefits and Compensated Absences	71	(15)	3	-	59
Deferred Income	207	(7)	-	-	200
Cash flow hedges	316	-	679	21	1,016
MAT Credit Entitlement	2,436	(396)	-	-	2,040
Others	15	30	-	-	45
	4,541	**(1,359)**	**682**	**21**	**3,885**
Deferred Income Tax Liabilities					
PP&E Depreciation and Intangible Amortisation	(6,470)	(88)	-	-	(6,558)
Cash Flow Hedges	-	-	-	-	-
Fair Value Measurements of Financial Instruments	(37)	(7)	(231)	-	(275)
Others	-	-	-	-	-
	(6,507)	**(95)**	**(231)**	**-**	**(6,833)**
Net Deferred Tax Assets/(Liabilities)	**(1,966)**	**(1,454)**	**451**	**21**	**(2,948)**

(₹ in Crore)

	As at 01/04/2020	Recognised in the Statement of Profit and Loss	Recognised in Other	Deferred tax on basis adjustment	As at 31/03/2021
Deferred Income Tax Assets					
Provisions deductible for tax purposes in future period	465	16	-	-	481
Tax Losses/Benefits carry forwards, Net #	1,735	(720)	-	-	1,015
Retirement Benefits and Compensated Absences	102	(11)	(20)	-	71
Deferred Income	216	(9)	-	-	207
Cash Flow Hedges	-	-	315	1	316
MAT Credit Entitlement	2,153	283	-	-	2,436
Others	-	15	-	-	15
	4,671	**(426)**	**295**	**1**	**4,541**
Deferred Income Tax Liabilities					
PP&E Depreciation and Intangible Amortisation	(6,424)	(46)	-	-	(6,470)
Cash Flow Hedges	(8)	-	8	-	-
Fair Value Measurements of Financial Instruments	(116)	76	3	-	(37)
Others	(98)	98	-	-	-
	(6,646)	**128**	**11**	**-**	**(6,507)**
Net Deferred Tax Assets/(Liabilities)	**(1,975)**	**(298)**	**306**	**1**	**(1,966)**

Tax Losses/Benefits carry forwards represents deferred income tax asset on unabsorbed depreciation carried forward under the Income Tax Act, for which there is no expiry period.

(b) Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relates to income tax levied by the same taxation authorities.

(c) The Company has not recognised deferred tax assets on following long term capital losses as presently it is not probable of recovery.

(₹ in Crore)

Description	AY@	Amount	Tax impact	Year of Expiry
Long Term Capital Loss	2015-16	29	7	AY 2023-24
Long Term Capital Loss	2016-17	34	8	AY 2024-25
Long Term Capital Loss	2017-18	901	210	AY 2025-26

@ Assessment Year (AY).

(d) The Company has not recognised deferred tax asset in respect of deductible temporary differences related to its subsidiaries and associates as presently it is not probable that future taxable long term capital gain will be available in the foreseeable future to recover such deferred tax assets.

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(e) The Taxation Law (Amendments) Ordinance 2019 ('the Ordinance'), provides an option to domestic companies to pay income-tax at a lower rate of 22% (plus applicable surcharge and cess) instead of the normal rate of 30% (plus applicable surcharge and cess) depending on the conditions specified in this behalf under section 115BAA of the Income Tax Act, 1961. A domestic company can avail of the lower tax rate only if it opts for not availing of certain exemptions or incentives specified in this behalf in the Ordinance. There is no time limit prescribed under the above to choose the option of lower tax rate under section 115BAA, however, once chosen it is irreversible. The Company is having accumulated MAT credit and tax incentives to be availed/adjusted against future taxable profits. Based on the projections prepared by the management, including its plan for future capital expenditure for capacity enhancement, the company has determined that exercising the option of lower rate will be beneficial only in long term. Accordingly, the Company has not exercised this option during the period and continues to recognize the taxes on income for period ended March 31, 2022 as per the existing normal tax rate of 30% (plus applicable surcharge and cess). The Company has assessed that the net deferred tax liability as at March 31, 2022 would get reversed within the period for which Company is expected to continue to be in the existing tax regime. The Company will review the above position at each period end.

C Income Tax Assets and Liabilities with Tax Authorities

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Income Tax Assets		
Non-Current Tax Assets (Net)	-	-
	-	-
Income Tax Liabilities (Net)		
Current Tax Liabilities (Net)	1,121	1,168
	1,121	1,168

The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to above matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities, refer note 1D.

24. Contract Liabilities

Refer Note 1B (X) for accounting policy on Contract Liability

(₹ in Crore)

	As at	
	31/03/2022	31/03/2021
Advance from Customers, (refer note - 26)	180	136
	180	**136**
Reconciliation of contract liabilities for the periods presented:		
Balance at beginning of the year	**136**	**158**
Amount received during the year against which revenue has not been recognized	165	128
Revenue recognized during the year		
a) Contract liabilities at the beginning of the year	(121)	(150)
b) Performance obligations satisfied in previous years	-	-
Balance at end of the year	**180**	**136**

25. Other Non Current and Current Liabilities

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Non-Current	Current	Non-Current	Current
Customer Refund Liability - [(a) & (refer note - 26)]	-	119	-	83
Statutory Dues Payable	-	487	-	441
Deferred Income - (b)	554	20	573	21
Other Payable	31	21	36	20
	585	**647**	609	565

(a) Customer refund liability are recognised mainly for discount payable to customers.

(b) Represents deferred income in respect of grant related to Export Promotion Capital Goods (EPCG) at Aditya, Mahan and Mouda.

26. Revenue from Operations

Refer Note 1B (X) for accounting policy on Revenue recognition
Refer Note 1B (T) for accounting policy on Accounting for government grants

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Revenue from Contracts with Customers		
Sale of Products - (a)		
Domestic Sales - (b)	44,274	26,885
Export Sales	21,318	13,889
	65,592	40,774
Trade Sales - (b)	1,140	1,414
Sale of Services - (c)	233	119
	66,965	42,307
Other Operating Revenues - (a) and (d)	688	394
	67,653	42,701
Reconciliation of revenue recognised with contract price:		
Contract Price	**70,478**	43,502
Adjustments for:		
Refund Liabilities and discounts	(779)	(497)
Hedging Gain/ (Loss)	(2,614)	(607)
Others - Provisionally priced contracts	(120)	(91)
Revenue from Contracts with Customers	**66,965**	42,307

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(a) Sales of Copper products and precious metals are accounted for provisionally, pending finalization of price and quantity. Variations are accounted for in the period of settlement. Final price receivable on sale of above products for which provisional price was not finalized are realigned at year end forward LME/LMBA rate and is being presented as part of other operating revenue. Revenue from subsequent variation in price movement is loss of ₹ 24 crore (year ended 31/03/2021, loss of ₹ 31 crore).

(b) Includes nutrient based subsidy of Phosphorus (P) & Potassium (K) arising from sale of Di ammonium phosphate (DAP) ₹ 441 crore (year ended 31/03/2021 ₹ 402 crore).

(c) Sale of services predominantly include freight and insurance on exports which are identified as separate performance obligation under Ind AS 115.

(d) Includes Government Grant in the nature of sales related export Incentives and other benefits of ₹ 408 crore (year ended 31/03/2021 ₹ 211 crore).

(e) The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
India	45,597	28,508
Outside India		
China	5,976	3,026
Korea	6,352	4,266
Others	9,320	6,690
Total Revenue from customers	**67,245**	42,490
Add: Export Incentive and other benefits	408	211
Total Revenue from Operations	**67,653**	42,701

(f) Refer note - 43, for related party transactions.

(g) Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligations related disclosures for contracts where revenue recognized corresponds directly with value to the customer of the entity's performance completed to date.

27. Other Income

Refer Note 1B (Y) for accounting policy on Dividend and Interest Income
Refer Note 1B (T) for accounting policy on Accounting for government grants
Refer Note 1B (P) for accounting policy on Accounting for Financial Instruments

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Interest Income, (refer note - 47(A)(c))		
On Non-Current Investments	20	13
On Current Investments	35	24
On Others - (a)	89	68
Dividend Income, (refer note - 47(A)(c))		
On Non-Current Investments - (a)	31	18
Rent Income (a)	18	13
Income from Government Grants	20	21
Gain/ (Loss) on Property, Plant and Equipment and Intangible Assets sold/ discarded (Net)	(31)	(20)
Gain/ (Loss) on Financial Investments Measured at FVTPL (Net)		
On sale of Financial Assets	245	643
On change of Fair Value of Financial Assets	18	(222)
Other Non-Operating Income - (b)	90	92
	535	**650**

(a) Refer note - 43, for related party transactions.

(b) Includes gain on modification of borrowings of ₹ 53 crore (year ended 31/03/2021 ₹ 56 crore) resulting from change in benchmark interest rate and timing of expected cash flows on term loans.

28. Cost of Materials Consumed

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Copper Concentrate - (a)	26,677	15,451
Alumina	3,265	2,840
Bauxite	668	540
Caustic Soda	456	300
Calcined Petroleum Coke	2,081	1,112
Copper Anode	2,741	1,904
Copper Cathodes	3,940	3,911
Pitch	703	355
Others	1,448	765
	41,979	**27,178**

(a) Purchase of copper concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the period of settlement. Final price payable on purchase of copper concentrate for which provisional price and quantity were not finalized during the year are realigned based on forward LME and LBMA rate. Impact on cost from subsequent variation in price movement for year ended 31/03/2022 was loss of ₹ 922 crore (year ended 31/03/2021 was loss of ₹ 160 crore).

(b) Refer note 37, for details of freight expenses included in cost of material consumed.

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29. Trade Purchases

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Aluminum Rolled Product	256	126
Fertilizer - (a)	1,530	928
Others	136	44
	1,922	1,098

(a) During the previous year, the Fertilizer plant was shut for regular maintence and during the current year, Company has discontinued and impaired the Fertilizer plant. Thus, for both years, to cater to the domestic demand, the Company has imported the fertilizer products i.e. Di Ammonium Phosphate (DAP) and Nitrogen, Phosphorus and Potassium (NPK).

30. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Crore)

	Opening Inventories		Closing Inventories		Net Change	
	as at		as at		Year ended	
	1/04/2021	1/04/2020	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Work-in-Progress	6,428	4,595	8,268	6,428	(1,840)	(1,833)
Finished Goods	1,448	1,337	2,080	1,448	(632)	(111)
Stock-in-Trade	4	127	884	4	(880)	123
	7,880	6,059	11,232	7,880	(3,352)	(1,821)
Inventories acquired in business combination (refer note - 53)					8	-
	7,880	6,059	11,232	7,880	(3,344)	(1,821)

Details of inventories under broad heads are given below:

(₹ in Crore)

	Work-in-Progress		Finished Goods		Stock-in-Trade		Total	
	As at		As at		As at		As at	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Alumina	393	299	93	59	-	-	486	358
Aluminium and Aluminium Products	1,108	792	461	388	17	2	1,586	1,182
Copper and Copper Products	4,287	3,507	1,327	987	-	-	5,614	4,494
Precious Metals	1,393	1,079	186	5	-	-	1,579	1,084
Others - (a)	1,087	751	13	9	867	2	1,967	762
	8,268	6,428	2,080	1,448	884	4	11,232	7,880

(a) Others include mainly inventories of own mined coal, anode, soda in process, Di Ammonium Phosphate (DAP), Nitrogen, Phosphorus and Potassium (NPK) and other materials.

31. Employee Benefits

Refer Note 1B (U) for accounting policy on Employee Benefits
Refer Note 1B (V) for accounting policy on Employee Share-based Payments

A Total employee benefit expenses incurred by the Company during the year as below

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Salaries and Wages	1,689	1,507
Post-Employment Benefits:		
Gratuity and Other Defined Benefit Plans	55	64
Contribution to Provident Fund and Other Defined Contribution Funds	116	115
Employee Share-Based Payments, (refer note - 42)		
Equity-settled share-based payment	35	15
Cash-settled share-based payment	5	1
Employee Welfare Expenses	181	156
	2,081	1,858
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development	23	14
	2,058	1,844

(i) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(ii) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identifi ed for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has given effect of the above judgement effective March 1, 2019. This does not have any material impact onthe Financial Statements.

B Post-Employment Benefits

The Company provides various benefit plan to its employees. Some of them are defined benefit in nature while some are contributory.

I Defined Benefit Plans:

Major Post retiral defined benefit plans of the Company include Gratuity, Post retirement medical benefit and Provident Fund (to the extent of Company's obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis by Central Provident Fund Organisation of Govt of India). The Company does Actuarial valuation for its identified long term and short term defined benefit plans.

Methodology for actuarial valuation of Defined Benefit Obligations:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

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Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: While calculating the defined benefit obligation a discount rate based on government bonds yields of matching tenure is used to arrive at the present value of future obligations. If the bond yield falls, the defined benefit obligation will tend to increase and plan assets will decrease.

ii. Salary risk: Higher than expected increases in salary will increase the defined benefit obligation.

iii. Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

A Gratuity Plans

The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972.

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
(a) Change in Defined Benefit Obligations (DBO)		
DBO at the beginning of the year	1,113	1,094
Current service cost	46	49
Interest Cost on the DBO	68	70
Settlement cost/(credit)	-	4
Acquisitions cost	2	-
Actuarial (gain)/ loss - experience	21	(50)
Actuarial (gain)/ loss - financial assumption	(67)	22
Benefits paid directly by Company	(47)	(44)
Benefits paid from plan assets	(26)	(32)
DBO at the end of the year	**1,110**	1,113

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
(b) Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	984	884
Interest Income on plan assets	62	58
Employer's contributions	52	53
Return on plan assets greater/(lesser) than discount rate	42	21
Benefits Paid	(26)	(32)
Fair Value of Plan Assets at the end of the year	**1,114**	984

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
(c) Development of Net Balance Sheet Position		
DBO, funded	(1,009)	(1,018)
Fair Value of Plan Assets	1,114	984
Funded Status {surplus/(deficit)}	105	(34)
Funded surplus not recognised - (n)	(105)	-
DBO, unfunded	(101)	(95)
Net defined benefit asset/(liability) recognised in the Balance Sheet	**(101)**	(129)

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
(d) Reconciliation of Net Balance Sheet Position		
Net Defined benefit asset/(Liability)at beginning of the year	(129)	(210)
Service cost	(46)	(49)
Settlement cost/(credit)	-	(4)
Net Interest on net defined benefit liability/(asset)	(6)	(12)
Amount recognised in OCI	88	49
Funded surplus not recognised - (n)	(105)	-
Employer's contributions	52	53
Benefit paid directly by Company	47	44
Acquisition credit/(cost)	(2)	-
Net Defined benefit asset/(Liability)at the end of the year	**(101)**	(129)

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
(e) Expense recognised during the year		
Current Service cost	46	49
Settlement cost/ (credit) - $	-	4
Total Service Cost	**46**	53
Net Interest on net defined benefit liability/(asset)	6	12
Net Gratuity Cost	**52**	65

$ Settlement cost/ (credit) during the year has been accounted under Exceptional Expenses as it pertains to Voluntary Retirement Scheme (VRS) granted at our Mines, Gare Palma (refer note - 38)

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(₹ in Crore)

		Year ended	
		31/03/2022	31/03/2021
(f)	**Other Comprehensive Income(OCI)**		
	Actuarial (Gain)/ Loss due to DBO experience	21	(50)
	Actuarial (Gain)/ Loss due to DBO assumption changes	(67)	22
	Actuarial (Gain)/ Loss arising during the period	(46)	(28)
	Return on Plan Assets (greater)/less than discount rate	(42)	(21)
	Funded surplus not recognised - (n)	105	-
	Actuarial (Gain)/ Loss recognised in OCI	**17**	(49)

(₹ in Crore)

		Year ended	
		31/03/2022	31/03/2021
(g)	**Defined Benefit Costs**		
	Service Cost	46	53
	Net Interest on net defined benefit liability/(asset)	6	12
	Actuarial (gain)/loss recognised in OCI	(88)	(49)
	Funded surplus not recognised - (n)	105	-
	Defined Benefit Cost	**69**	16

		Year ended	
		31/03/2022	31/03/2021
(h)	**Principal Actuarial Assumptions**		
	Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	**7.00%**	**6.25%**
	Salary escalation rate	**7.50%**	**7.50%**
	Weighted average duration of the defined benefit obligation	**8 years**	**9 years**
	Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	

(i) Non-Current and Current portion of Defined Benefit Obligations (Refer Note - 22)

(₹ in Crore)

Current portion	(5)	(3)
Non-current portion	(96)	(126)
	(101)	**(129)**

(j) Sensitivity analysis

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Discount Rate		
Effect on DBO due to 1% increase in discount rate	(80)	(85)
Effect on DBO due to 1% decrease in discount rate	92	98
Salary Escalation Rate		
Effect on DBO due to 1% increase in salary escalation rate	90	96
Effect on DBO due to 1% decrease in salary escalation rate	(81)	(85)

(₹ in Crore)

(k) The Expected Maturity Analysis of Undiscounted Gratuity is as follows:

	Year ended	
	31/03/2022	31/03/2021
Within 1 year	66	57
From 1 year to 2 Year	99	88
From 2 year to 3 Year	102	97
From 3 year to 4 Year	106	95
From 4 year to 5 Year	110	104
From 5 year to 10 Year	618	577

(l) Composition of Plan Assets

Major categories of Plan Assets are as under: *

Cash & Bank Balances	1.37%	1.57%
Scheme of insurance - Conventional product	0.20%	0.21%
Scheme of insurance - ULIP product	98.43%	98.23%
	100.00%	100.00%

* Investment in Plan assets are unquoted.

(m) Expected Contributions to post employment benefit plan of Gratuity for the year ending 31st March, 2023 are ₹ 61 crore.

(n) The Company has not recognised the surplus in its plan assets of gratuity fund since no future economic benefits are expected in the form of reduction in future contributions to the gratuity plan or refund from the gratuity plan.

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B Post Retirement Medical Benefit

This is a defined benefit plan where the Company provides post retirement medical benefit to its certain retired employees. The scheme involves reimbursement of expenses towards medical treatment of self and dependents. The amount charged to the statement Profit and Loss during the year is ₹ 0.32 crore (year ended 31/03/2021 ₹ 0.34 crore) and amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ (4) crore (year ended 31/03/2021 ₹ (1) crore). The obligation with respect to said scheme as at 31/03/2022 ₹ 5 crore (year ended 31/03/2021 ₹ 5 crore) .

C Other Pension Plan

It is a pension benefit provided to erstwhile Managing Director. The amount charged to statement of Profit and Loss during the year is ₹ 3 crore (year ended 31/03/2021 ₹ 3 crore). Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ 0 crore (year ended 31/03/2021 ₹ 1 crore). The obligation with respect to these schemes as at 31/03/2022 ₹ 47 crore (year ended 31/03/2021 ₹ 46 crore).

II Defined Contribution Plans

A Pension

It is a contributory benefit plan where the Company contributes a certain percentage of salary for all eligible employees in the managerial cadre towards Superannuation Funds with option to put certain portion in National Pension Scheme (NPS) and/or in funds managed by Birla Sunlife Insurance Company to be converted to annuity of Life Insurance Corporation of India at retirement. Junior Pension Plan provided to certain employees is in the nature of defined benefit plan which provides an annuity in the form of pension amount at retirement. The amount charged to statement of Profit and Loss during the year is ₹ 16 crore (year ended 31/03/2021 ₹ 15 crore). Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ 0 crore (year ended 31/03/2021 ₹ 0 crore).

B Provident Fund

The Company's contribution towards Provident Fund managed either by approved trusts or by the Central Government is debited to the Statement of Profit and Loss. In respect of provident fund management by the approved trust, the Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The Company also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines. The amount debited to Statement of Profit and Loss during the year was ₹ 100 crore (year ended 31/03/2021 ₹ 100 crore). Based on actuarial valuation, the Company has recognised obligation of ₹ 0 crore as at 31/03/2022 (year ended 31/03/2021 ₹ 2 crore) towards shortfall on the yield of the trust's investments over the administered interest rates. Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ (4) crore (year ended 31/03/2021 ₹ (9) crore).

(₹ in Crore)

	Year ended	
Sensitivity Analysis :-	31/03/2022	31/03/2021
Provident Fund		
Discount Rate		
Effect on DBO due to 1% increase in discount rate	(3)	(3)
Effect on DBO due to 1% decrease in discount rate	4	4
Pension		
Discount Rate		
Effect on DBO due to 1% increase in discount rate	(0.0)	(0.1)
Effect on DBO due to 1% decrease in discount rate	0.1	0.1

Assumption use in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	Year ended	
	31/03/2022	31/03/2021
Discount rate	7.00%	6.25%
Expected EPFO (Employees' Provident Fund Organisation) Return	8.10%	8.50%

III Other Employee Benefit plans

A Leave Obligation

The leave obligation cover the Company's liability for earned and sick leave. The entire amount of the provision of ₹ 261 crore (year ended 31/03/2021 ₹ 257 crore) is presented as current, since the company does not have an unconditional right to defer settlement for these obligations. Expected amount towards settlement of Leave for the next 12 months are ₹ 41 crore (31/03/2021 ₹ 36 crore).

32. Power and Fuel

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Power and Fuel Expenses - (a)	6,782	5,668
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development	(1)	-
	6,781	5,668

(a) Refer note 37, for details of freight expenses included in Power and Fuel.

33. Finance Costs

Refer Note 1B (S) for accounting policy on Borrowing cost

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Interest Expenses on Financial Liabilities not at FVTPL - (a) and (b)	1,388	1,451
(Gain)/ Loss on Foreign Currency Borrowings (Net)	-	(14)
Interest Expenses for Leasing arrangements	26	25
Other Borrowing Costs - (c)	29	22
	1,443	1,484
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development (d)	26	15
	1,417	1,469

(a) Interest expenses include ₹ 9 crore (year ended 31/03/2021 ₹ 6 crore) paid to Income Tax Department.

(b) Includes difference between effective interest rate and contracted interest rate of ₹ 57 crore (year ended 31/03/2021 ₹ 49 crore) mainly from amortisation of debt issuance cost.

(c) Mainly includes unwinding of discount on Enterprise Social Commitment and Asset Retirement Obligations.

(d) The Capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to general borrowings. Capitalisation rate for year ended 31/03/2022 is 6.32% p.a. (year ended 31/03/2021 - 6.58% p.a.).

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34. Depreciation and Amortisation Expenses

Refer Note 1B (D) for accounting policy on Property, Plant and Equipment
Refer Note 1B (E) for accounting policy on Investment properties
Refer Note 1B (F) for accounting policy on Intangible Assets
Refer Note 1B (G) for accounting policy on Stripping cost
Refer Note 1B (L) for accounting policy on Leases

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Depreciation on Property, Plant and Equipment	1,576	1,590
Depreciation on Right of Use Assets	88	80
Depreciation on Investment Properties	-	1
Amortisation of Intangible Assets	92	44
	1,756	1,715
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development	4	7
	1,752	1,708

35. Impairment Loss on Non-Current Assets

Refer Note 1B (I) for accounting policy on Impairment of Non-Current Assets

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Impairment Loss on Property, Plant and Equipment and Intangible assets (a) and (c)	76	115
Impairment Loss on Capital Work in Progress (b)	19	-
Impairment Loss - Asset Held for Sale (d)	-	25
	95	140

(a) During the current year, the Company has evaluated operational performance along with current environmental norms of its Di Ammonium Phosphate (DAP) Plant and decided to decommission the same. As a result, the Company has recognized impairment in respect of existing DAP plant amounting to ₹ 76 crore.

(b) The Company has impaired certain mining assets which was underutilized due to various reasons such as environmental clearances etc. amounting to ₹ 19 crore during the current year.

(c) During the previous year, operation of certain mining assets of the Company have become unviable due to high cost of production and other operational issues. As a result the Company has recognized impairment in respect of these mining assets amounting to ₹ 115 crores (Property, Plant and Equipement ₹ 71 crore and Intangible assets ₹ 44 crore).

(d) During the previous year, the Company has recognized impairment of ₹ 25 crores on certain other assets classified as "Non Current Asset Held for Sale" based on their future utilisation plan.

36. Impairment Loss on Financial Assets (Net)

Refer Note 1B (P) for accounting policy on Accounting for Financial Instruments

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Provision for Doubtful Debts, Loans and other financial assets/ (written back) (Net)	1	(7)
Bad Debts Loans and other financial assets/ (written back) (Net)	1	-
	2	(7)

37. Other Expenses

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Consumption of Stores and Spares	1,269	977
Repairs to Buildings	154	87
Repairs to Machinery	977	780
Rates and Taxes	57	13
Equipment and Material Handling Expenses	340	265
Lease Expenses - (c)	130	90
Insurance Charges	125	101
Payment to Auditors - (a)	5	5
Research and Development	31	23
Freight and Forwarding Expenses (Net) - (b) and (d)	1,012	767
Donation - (e)	10	6
Directors' Fees and Commission	7	6
(Gain)/Loss on Foreign Currency Transactions (Net)	(145)	(54)
(Gain)/Loss in Change in Fair Value of Derivatives (Net)	862	44
Miscellaneous Expenses - (f)	2,158	1,425
	6,992	4,535
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development	30	28
	6,962	4,507
(a) Details to Payment to Auditors are given below:		
Statutory Auditors:		
Statutory Audit Fees^	4	4
Other Services	1	1
Reimbursement of Out-of-Pocket Expenses	-	-
Cost Auditors:		
Cost Audit Fee and Expenses	-	-
	5	5

^ Statutory audit fees for year ended 31/03/2022 includes ₹ 1 crore towards additional fees for increase in scope. Statutory audit fees for year ended 31/03/2021 includes ₹ 1 crore towards additonal fees for scope increase related to previous periods.

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(b) Freight and forwarding expenses is net of freight subsidy of ₹ 10 crore (year ended 31/03/2021 ₹ 54 crore) received on sale of DAP.

(c) Lease expense on account of Short Term Lease, Variable Lease and Low Value Lease on Low value assets are as follows:

(₹ in Crore)

Particulars	Year ended	
	31/03/2022	31/03/2021
Short Term Leases	76	50
Variable lease	54	40
Leases of low value assets	-	-
Total	130	90

(d) Freight expenses amounting to ₹ 198 crore (year ended 31/03/2021 of ₹ 152 crore) is included in Cost of material consumed and ₹ 96 crore (year ended 31/03/2021 of ₹ 25 crore) is included in Power and Fuel expense. (refer notes 28 and 32).

(e) Donation includes ₹ 10 crore (year ended 31/03/2021 of Nil) paid to AB General Electoral Trust towards political donation.

(f) Miscellaneous expenses include ₹ 0.10 crore (year ended 31/03/2021 ₹ 0.04 crore) paid to a firm of solicitors in which one of the Director of the Company is a partner.

38. Exceptional Income/ (Expenses) (Net)

Refer Note 1B (Z) for accounting policy on Exceptional items

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Exceptional Income	-	127
Exceptional (Expenses)	(107)	(120)
	(107)	7

(₹ in Crore)

Details of Exceptional Income/ (Expenses) as follows:	Year ended	
	31/03/2022	31/03/2021
Exceptional Income:		
Renewable Energy Certificates (REC) recognised subsequent to approval received from Odisha Electricity Regulatory Commission (OERC) permitting adjustment of excess REC purchased during earlier years against future Renewable Power Obligation (RPO) and reversal of excess Renewal Power Obligation (RPO) provision related to FY20 subsequent to Madhya Pradesh Electricity Regulatory Commission (MPERC) order.	-	127
Total	-	127
Exceptional Expenses:		
Exgratia amount paid to the employees for their contribution during COVID 19 pandemic.	-	(48)
Employee severance cost comprising voluntary retirement scheme offered to employees pursuant to the restructuring of a mining operation of the Company.	-	**(33)**

(₹ in Crore)

Details of Exceptional Income/ (Expenses) as follows:	Year ended	
	31/03/2022	31/03/2021
Provision related to Additional Surcharge (ASC) and Cross Subsidy Surcharge (CSS) levied on the Company due to failure of the captive power producer (from whom the Company sourced power in earlier years) to comply with the captive status criteria under Central Electricity Act, 2003.	-	**(39)**
Pursuant to the notification by Ministry of Environment, Forest and Climate Change (MoEFCC), the Company has recognised provision for expected cost of disposal of legacy ash lying in ash dykes/ponds as at December 31, 2021. The above provision is estimated based on the plan for disposal of ash and stabilisation of ash dykes/ponds (subject to approval of Pollution Control Board) considering feasibility of extraction of ash from ash dykes/ponds.	**(107)**	-
Total	(107)	(120)

39. Other Comprehensive Income/ (Loss)

The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

(₹ in Crore)

	Year ended					
	31/03/2022			31/03/2021		
	Gross	Tax	Net	Gross	Tax	Net
(i) Items that will not be reclassified to Statement of Profit and Loss						
Remeasurement of Defined Benefit Obligation (refer note - 31)	(5)	3	(2)	57	(20)	37
Change in Fair Value of Investment in Associates as FVTOCI	17	-	17	94	-	94
Change in Fair Value of Equity Instruments as FVTOCI	1,091	(234)	857	4,257	-	4,257
	1,103	**(231)**	**872**	**4,408**	**(20)**	**4,388**
(ii) Items that will be reclassified to Statement of Profit and Loss						
Change in Fair Value of Debt Instruments designated as FVTOCI	(9)	3	(6)	(9)	3	(6)
Effective portion of Cash Flow Hedges	(1,867)	653	(1,214)	(757)	264	(493)
Cost of Hedging Reserve	(75)	26	(49)	(168)	59	(109)
	(1,951)	**682**	**(1,269)**	**(934)**	**326**	**(608)**
Total Other Comprehensive Income/ (Loss)	**(848)**	**451**	**(397)**	3,474	306	3,780

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40. Earnings per Share (EPS)

(₹ in Crore)

	Year ended	
	31/03/2022	31/03/2021
Profit/ (Loss) attributable to Equity Shareholders	5,507	993
Weighted average numbers of equity shares for calculation of EPS:		
Weighted-average numbers of equity shares for Basic EPS	2,224,071,351	2,224,224,042
Dilutive impact of Employee Stock Option Scheme	2,968,669	1,172,360
Weighted-average numbers of equity shares for Diluted EPS	2,227,040,020	2,225,396,402
Face Value per Equity Share (₹)	1.00	1.00
Earnings per Share		
Basic (₹)	24.76	4.46
Diluted (₹)	24.73	4.46

Treasury shares are excluded from weighted-average numbers of equity shares used as a denominator in the calculation of EPS.

Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent they are dilutive. 538,978 shares (year ended 31/03/2021 4,295,432 Shares) options granted under Employee Stock option scheme but were not included in the calculation of diluted earnings per share because they are antidilutive for the period. Options can potentially dilute basic earnings per share in the future depending on future share price of the Company.The stock options have not been included in the determination of basic earnings per share. For details relating to stock options, refer note 42.

41. Segment Reporting

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108), no disclosure related to the segment are presented in the Standalone Financial Statements.

42. Employee Share-based Payments

Refer Note 1B (V) for accounting policy on Employee Share-based Payments

The Company has formulated employee share-based payment schemes with the objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. At present, following employee share-based payment schemes are in operation, details of which are given below:

(I) Employee Stock Option Scheme 2006 ("ESOS 2006"):

The shareholders of the Company has approved on 23/01/2007 an Employee Stock Option Scheme 2006 ("ESOS 2006"), under which the Company may grant up to 3,475,000 stock options to its permanent employees in the management cadre, whether working in India or out of India, including Managing and the Whole Time Directors of the Company, in one or more tranches. The ESOS 2006 is administrated by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). Each stock option, when exercised, would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The stock options will vest in 4 equal annual instalments after completion of one year of service from the date of grant. The exercise price shall be average price of the equity shares of the Company in the immediate preceding seven day period on the date prior to the date on which the ESOS compensation committee finalises the specific numbers of Options to be granted to the employees discounted by such percentage not exceeding 30 % (thirty percent) to be determined by ESOS Compensation Committee in the best interest of the various stake holders in the prevailing market conditions. The maximum period of exercise is 5 years from the date of vesting and these stock options do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options are also available for grant. Further, on 23/09/2011 the ESOS 2006 has been partially modified and by which the Company may grant 6,475,000 stock options to its eligible employees.

Under the ESOS 2006, till 31/03/2022 the Committee has granted 4,328,159 stock options (31/03/2021: 4,328,159 stock options) to its eligible employees out of which 1,819,941 stock options (31/03/2021: 1,819,941 stock options) has been forfeited/ expired and are available for grant as per term of the Scheme.

A summary of movement of the stock options and weighted average exercise price (WAEP) is given below:

(₹ in Crore)

	As at			
	31/03/2022		31/03/2021	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	391,304	118.73	456,956	118.73
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(391,304)	118.73	(65,652)	118.73
Expired during the year	-	-	-	-
Outstanding at year end	-	-	391,304	118.73
Vested and Exercisable at year end	-	-	391,304	118.73

Under ESOS 2006, as at 31/03/2022 exercise prices for stock options outstanding was Nil (31/03/2021: ₹ 118.73) whereas the weighted average remaining contractual life of the stock options outstanding was Nil (31/03/2021: 1.02 years).

The weighted average share price at the date of exercise of ESOS 2006 was ₹ 428.07 per share (31/03/2021 ₹ 173.25 per share).

(II) Employee Stock Option Scheme 2013 ("ESOS 2013"):

The shareholders of the Company has approved on 10/09/2013 an Employee Stock Option Scheme 2013 ("ESOS 2013"), under which the Company may grant up to 5,462,000 Options (comprising of Stock Options and/ or Restricted Stock Units (RSU)) to the permanent employees in the management cadre and Managing and Whole time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The stock options exercise price would be determined by the Committee, whereas the RSUs exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock option/ RSU do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options and RSUs are also available for grant.

In terms of ESOS 2013, till 31/03/2022 the Committee has granted 2,250,754 stock options and 2,252,254 RSUs (31/03/2021: 2,250,754 stock options and 2,252,254 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 301,381 stock options and 213,095 RSUs (31/03/2021: 296,996 stock options and 202,063 RSUs) has been forfeited/ expired and are available for grant as per term of the Scheme.

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A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

(₹ in Crore)

	As at							
	31/03/2022				31/03/2021			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	110,700	132.68	55,691	1.00	415,944	124.82	235,718	1.00
Granted during the year	-	-	-	-	-	-	-	-
Re-instated during the year	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	(37,086)	144.19	(8,776)	1.00
Exercised during the year	(80,067)	132.52	(17,106)	1.00	(224,657)	119.02	(171,251)	1.00
Expired during the year	(4,385)	119.45	(11,032)	1.00	(43,501)	119.45	-	-
Outstanding at year end	26,248	135.39	27,553	1.00	110,700	132.68	55,691	1.00
Vested and Exercisable at year end	26,248	135.39	27,553	1.00	110,700	132.68	55,691	1.00

Under ESOS 2013, the range of exercise prices for stock options outstanding as at 31/03/2022 was ₹ 119.45 to ₹ 167.15 (31/03/2021: ₹ 119.45 to ₹ 167.15) whereas exercise price in case of RSUs was ₹ 1.00 (31/03/2021: ₹ 1.00). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2022 was 1.09 years and 2.73 years, respectively (31/03/2021: 1.51 years and 2.54 years, respectively).

The weighted average share price at the date of exercise of ESOS 2013 was ₹ 460.52 per share (31/03/2021 ₹ 220.69 per share).

(III) Employee Stock Option Scheme 2018 ("ESOS 2018"):

The shareholders of the Company has approved on 21/09/2018 an Employee Stock Option Scheme 2018 ("ESOS 2018"), formulated by the Company, under which the Company may grant not more than 13,957,302 [Stock Options and Restricted Stock Units('RSU')] to its permanent employees of the Company in management cadre including Managing and the Wholetime Director of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee") and the Hindalco Employees Welfare Trust ("Trust"). The Stock options exercise price would be determined by the Committee whereas the RSU exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of Re. 1/- each of the Company upon payment of exercise price during the exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options and RSUs are also available for grant.

In terms of ESOS 2018, till 31/03/2022 the Committee has granted 7,062,503 stock options and 1,981,539 RSUs (31/03/2021: 5,189,519 stock options and 1,368,979 RSUs) to the eligible employees of the Company and some of its subsidiary companies. A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

(₹ in Crore)

	As at							
	31/03/2022				31/03/2021			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	4,277,702	226.06	1,279,318	1.00	4,448,494	217.95	1,297,506	1.00
Granted during the year	1,872,984	448.89	612,560	1.00	582,240	278.05	20,487	1.00
Re-instated during the year	17,719	278.05	-	-	-	-	-	-
Forfeited during the year	(155,816)	306.39	(59,936)	1.00	(692,325)	218.31	(38,675)	1.00
Exercised during the year	(687,701)	224.10	(191,267)	1.00	(60,707)	218.80	-	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at year end	5,324,888	302.51		1.00	4,277,702	226.06	1,279,318	1.00
Vested and Exercisable at year end	2,370,953	228.84	966,695	1.00	1,565,967	218.60	46,058	1.00

Under ESOS 2018, the range of exercise prices for stock options outstanding as at 31/03/2022 was ₹ 159.30 to ₹ 453.95 (31/03/2021 was ₹ 159.30 to ₹ 278.05) whereas exercise price in case of RSUs was ₹ 1 (31/03/2021: ₹ 1.00). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2022 was 5.29 years and 5.50 years, respectively (31/03/2021 was 5.43 years and 5.84 years respectively).

The weighted average share price at the date of exercise of ESOS 2018 was ₹ 509.37 per share (31/03/2021 was ₹ 332.87 per share).

The fair values at grant date of stock options granted during the year ended 31/03/2022 was ₹ 176.04 to ₹ 220.36 (31/03/2021 was ₹ 144.57 to ₹ 181.09) and fair values in case of RSUs was ₹ 419.15 to ₹ 435.62 (31/03/2021 was ₹ 269.56), respectively. The fair valuation has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest for terms of options.

The details of options granted, the key assumptions for Fair Value on the date of grant are as under :

	FY 2021-22			
	Tranche VII		Tranche VIII	
	Stock Option	RSU	Stock Option	RSU
Grant date	06/08/2021	06/08/2021	12/11/2021	12/11/2021
Exercise price (₹)	443.25	1.00	453.95	1.00
Expected terms of options granted (years)	4.43 to6.43 years	6 years to 8 years	4.43 to6.43 years	6 years to 8 years
Share price on grant date (₹)	443.10	443.10	453.95	453.95
Expected volatility (%)	41.10%	41.10%	41.45%	41.45%
Expected dividend (%)	0.68%	0.68%	0.66%	0.66%
Risk free interest rate (%)	5.64% - 6.22%	6.12% - 6.54%	5.54% - 6.12%	6.01% - 6.44%

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	FY 2020-21		
	Tranche V		Tranche VI
	Stock Option	RSU	Stock Option
Grant date	10/02/2021	10/02/2021	10/02/2021
Exercise price (₹)	278.05	1.00	278.05
Expected terms of options granted (years)	4.43 to7.43 years	8 years	4.43 years
Share price on grant date (₹)	279.40	279.40	279.40
Expected volatility (%)	59.50%	59.50%	59.50%
Expected dividend (%)	0.36%	0.36%	0.36%
Risk free interest rate (%)	5.46% - 6.17%	6.27%	5.46%

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted which is indicative of future periods and which may not necessarily be the actual outcome.

(IV) Stock Appreciation Rights ('SAR 2018'):

The Company till 31/03/2022, has granted 156,694 Option SAR and 50,665 RSU SAR (31/03/2021: 95,815 Option SAR and 20,514 RSU SAR) under the Share Appreciation Rights Scheme 2018 ("SAR 2018") to its eligible employees. Option SAR to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant and RSU SAR will vest upon completion of three years of services from the date of grant. The SAR 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The SAR 2018 have performance linked vesting conditions which are decided by the committee and are cash settled. The options shall lapse in case of performance linked vesting conditions are not met. The range of exercise price of the Option SAR is ₹ 159.30 to ₹ 443.25 and RSU SAR is ₹ 1 (31/03/2021: Option SAR is ₹ 159.30 to ₹ 278.05 and RSU SAR is ₹ 1).

A summary of movement of SAR and weighted average exercise price (WAEP) is given below:

(₹ in Crore)

	As at 31/03/2022				As at 31/03/2021			
	Option SAR		RSU SAR		Option SAR		RSU SAR	
	Number	WAEP	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	76,652	215.00	20,514	1.00	44,668	218.80	11,333	1.00
Granted during the year	60,879	255.50	30,151	1.00	51,147	203.79	9,181	1.00
Forfeited during the year	-	-	-	(19,163)	193.97	-	-	
Exercised during the year	(39,604)	223.29	(20,669)	1.00	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at year end	97,927	236.82	29,996	1.00	76,652	215.00	20,514	1.00
Vested and Exercisable at year end	47,115	218.80	13,565	-	11,167	218.80	-	-

The fair values per Option SAR as at 31/03/2022 was ₹ 248.38 to ₹ 440.84 (31/03/2021 ₹ 144.97 to ₹ 232.47) and for RSU SAR as at 31/03/2022 was ₹ 552.96 to ₹ 560.60 (31/03/2021 ₹ 321.21 to ₹ 322.35). The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest. The assumptions used for fair valuation for Option SAR and RSU SAR are given below:

	Year ended 31/03/2022					
Grant date	26/03/2019	09/08/2019	12/06/2020	12/06/2020	10/02/2021	06/08/2021
Valuation Date	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Exercise price (₹)	1.00	218.80	159.30	1.00	278.05	218.80
Expected volatility (%)	40.05%	40.05%	40.05%	40.05%	40.05%	40.05%
Expected dividend (%)	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
Risk Free interest rate (%)	5.40%	5.72%	5.37% - 6.18%	5.40% - 5.82%	5.34%	5.72%

	Year ended 31/03/2022					
Grant date	06/08/2021	06/08/2021	12/11/2021	12/11/2021	12/11/2021	12/11/2021
Valuation Date	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022	31/03/2022
Exercise price (₹)	278.05	1.00	218.80	278.05	443.25	1.00
Expected volatility (%)	40.05%	40.05%	40.05%	40.05%	40.05%	40.05%
Expected dividend (%)	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
Risk Free interest rate (%)	5.34%	5.40% - 5.57%	5.26% - 5.72%	5.34%	5.57% - 6.30%	5.26% -6.30%

	Year ended 31/03/2021					
Grant date	26/03/2019	09/08/2019	09/08/2019	12/06/2020	12/06/2020	10/02/2021
Valuation Date	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021	31/03/2021
Exercise price (₹)	1.00	218.80	1.00	159.30	1.00	278.05
Expected volatility (%)	50.90%	50.90%	50.90%	50.90%	50.90%	50.90%
Expected dividend (%)	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
Risk Free interest rate (%)	5.45%	4.27% - 5.70%	5.34%	5.43% - 6.05%	5.45% - 5.78%	5.41%

The weighted average remaining contractual life for the Option SAR as at 31/03/2022 is 2.70 to 5.35 years (31/03/2021: 1.69 to 5.92 years) and RSU SAR as at 31/03/2022 is 2.70 to 5.35 years (31/03/2021: 3.70 to 4.92 years).

The total intrinsic value at the end of the year of the vested Option SAR and RSU SAR is ₹ 2.42 crore (31/03/2021 ₹ 0.12 crore).

Effect of Employee Share-Based Payment transactions on Profit or Loss for the period and on financial position:

For the year ended 31/03/2022, the Company recognised total expenses of ₹ 40 crore (31/03/2021 ₹ 16 crore) related to equity-settled and cash-settled share based transactions. During the year ended 31/03/2022, the Company has allotted fully paid-up 488,477 equity share of ₹ 1/- each of the Company (31/03/2021 461,560) on exercise of equity settled options for which the Company has realised ₹ 6 crore (31/03/2021 ₹ 3 crore) as exercise prices.

The Company has received ₹ 0.70 crore (31/03/2021 ₹ 0.29 crore) from Utkal Alumina International Limited and Hindalco - Almex Aerospace Limited (Subsidiaries) towards the grant of 91,611 Stock Options and 49,061 RSUs (31/03/2021: 88,676 Stock Options and 43,261 RSUs) under ESOS 2018 which is netted off from Employee Share-Based Payments Expenses.

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43. Related party disclosures

(A) List of Related Parties where control exists:

	Name of the Related Party	Principal Place of Business
(a)	**Subsidiary Companies:**	
1	Minerals & Minerals Limited	India
2	Renukeshwar Investments & Finance Limited	India
3	Renuka Investments & Finance Limited	India
4	Lucknow Finance Company Limited	India
5	Dahej Harbour and Infrastructure Limited	India
6	Utkal Alumina International Limited	India
7	Utkal Alumina Social Welfare Foundation	India
8	Kosala Livelihood And Social Foundation	India
9	Birla Copper Asoj Private Limited (formerly known as "Ryker Base Private Limited") - (h)	India
10	Suvas Holdings Limited	India
11	Hindalco-Almex Aerospace Limited	India
12	East Coast Bauxite Mining Company Private Limited	India
13	AV Minerals (Netherlands) N.V.	Netherland
14	Hindalco Do Brasil Industria Comercia de Alumina Ltda.	Brazil
15	AV Metals Inc.	Canada
16	Novelis Inc.	Canada
17	Novelis do Brasil Ltda.	Brazil
18	Brecha Energetica Ltda.	Brazil
19	4260848 Canada Inc.	Canada
20	4260856 Canada Inc.	Canada
21	8018227 Canada Inc.	Canada
22	Novelis (China) Aluminum Products Co., Ltd.	China
23	Novelis (Shanghai) Aluminum Trading Co., Ltd.	China
24	Novelis PAE SAS	France
25	Novelis Aluminium Beteiligungs GmbH	Germany
26	Novelis Deutschland GmbH (formerly known as "Aleris Deutschland Holding GmbH")	Germany
27	Novelis Sheet Ingot GmbH	Germany
28	Novelis (India) Infotech Ltd.	India
29	Novelis Aluminum Holding Unlimited Company	Ireland
30	Novelis Italia SpA	Italy
31	Novelis de Mexico S.A. de C.V.	Mexico
32	Novelis Korea Limited	South Korea
33	Novelis AG	Switzerland
34	Novelis Switzerland S.A.	Switzerland
35	Novelis MEA Ltd.	United Arab Emirates
36	Novelis Europe Holdings Limited	United Kingdom
37	Novelis UK Ltd.	United Kingdom
38	Novelis Services Limited	United Kingdom
39	Novelis Corporation	United States of America
40	Novelis South America Holdings LLC	United States of America
41	Novelis Holdings Inc.	United States of America
42	Novelis Services (North America) Inc.	United States of America
43	Novelis Global Employment Organization, Inc.	United States of America
44	Novelis Services (Europe) Inc.	United States of America
45	Novelis Vietnam Company Limited	Vietnam
46	Aleris Asia Pacific International (Barbados) Ltd.	Barbados
47	Aleris Aluminum (Zhenjiang) Co., Ltd.	China
48	Aleris (Shanghai) Trading Co., Ltd.	China
49	Aleris Asia Pacific Limited	Hong Kong
50	Aleris Aluminum Japan, Ltd.	Japan
51	Novelis Casthouse Germany GmbH (formerly known as "Aleris Casthouse Germany GmbH")	Germany
52	Novelis Deutschland Holding GmbH	Germany
53	Novelis Koblenz GmbH (formerly known as "Aleris Rolled Products Germany GmbH")	Germany
54	Novelis Netherlands B.V.(formerly known as "Novelis Aluminum Netherlands B.V.")	Netherlands
55	Aleris Switzerland GmbH	Switzerland
56	Aleris Aluminum UK Limited	United Kingdom
57	Aleris Holding Canada ULC	Canada
58	Novelis ALR Aluminum Holdings Corporation (formerly known as "Aleris Corporation")	United States of America
59	Novelis ALR International, Inc. (formerly known as "Aleris International, Inc.")	United States of America
60	Novelis ALR Rolled Products, LLC (formerly known as "Aleris Rolled Products,LLC")	United States of America
61	Novelis ALR Rolled Products, Inc. (formerly known as "Aleris Rolled Products, Inc.")	United States of America
62	Novelis ALR Aluminum, LLC (formerly known as "Nichols Aluminum LLC")	United States of America
63	Novelis ALR Rolled Products Sales Corporation (formerly known as "Aleris Rolled Products SalesCorporation")	United States of America
64	Novelis ALR Recycling of Ohio, LLC (formerly known as "IMCO Recycling of Ohio, LLC")	United States of America
65	Novelis ALR Aluminum-Alabama, LLC (formerly known as "Nichols Aluminum-Alabama LLC")	United States of America
66	Novelis ALR Asset Management Corporation (formerly known as "UWA Acquisition Co.")	United States of America

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(b)	Trust Controlled by the Company	
1	Hindalco Jan Seva Trust	India
2	Copper Jan Seva Trust	India
3	Utkal Alumina Jan Seva Trust	India

During the year ended March 31, 2022:

a. Saras Micro Devices, Inc. was formed on April 21, 2021

b. Aleris RM, Inc. and Name Acquisition Co. - Merged into Aleris International, Inc. on July 21, 2021

c. 90% stake in Saras Micro Devices, Inc. was sold on November 22, 2021

d. Aleris Aluminum France SAS merged into Novelis PAE SAS on March 29, 2022

e. Novelis Laminés France SAS merged into Novelis PAE SAS on March 29, 2022

f. Aleris Aluminum Poland Sp. z.o.o. dissolved by operation of law into Aleris Switzerland GmbH on April 15, 2021

g. 100% stake in Hindalco Do Brasil Industria Comercia de Alumina Ltda. was sold on March 7, 2022

h. 100% equity stake in Birla Copper Asoj Private Limited (formerly known as Ryker Base Private Limited) was acquired on November 18, 2021 through wholly owned subsidiary, Renuka Investments and Finance Limited.

(B) List of Related Parties with joint control and significant influence:

	Name of the Related Party	Principal Place of Business
(a)	**Joint Ventures (Joint Control):**	
1	MNH Shakti Limited	India
2	Hydromine Global Minerals (GMBH) Limited (Hydromine)	British Virgin Islands
(b)	**Associates (Significant Influence):**	
1	Aditya Birla Science & Technology Company Private Limited	India
2	Aditya Birla Renewable Subsidiary Limited	India
3	Aditya Birla Renewables Solar Limited	India
4	Aditya Birla Renewable Utkal Limited	India
5	Deutsche Aluminum Verpachung Recycling GMBH	Germany
6	France Aluminum Recyclage SPA.	France
(C)	**Key Managerial Personnel**	
	Relationship	
1	Mr. Satish Pai - Managing Director	Executive Directors
2	Mr. Praveen Maheshwari -Whole time Director & Chief Financial Officer	Executive Directors
3	Mr. Kumar Mangalam Birla	Non Executive Directors
4	Smt. Rajashree Birla	Non Executive Directors
5	Mr D Bhattacharya (Resigned w.e.f. 2nd March, 2022)	Non Executive Directors
6	Mr. A.K.Agarwala	Non Executive Directors
7	Mr. K.N. Bhandari	Non Executive Directors
8	Mr. Y.P. Dandiwala	Non Executive Directors
9	Mr. Anant Maheshwari	Non Executive Directors
10	Ms. Alka Bharucha	Non Executive Directors
11	Dr. Vikas Balia	Non Executive Directors
12	Mr. Sudhir Mital	Non Executive Directors
(D)	**Other Related Parties with whom there were transactions during the year:**	
	Relationship	
1	Hindalco Employee's Gratuity Fund, Kolkata	Post-Employment Benefit Plan
2	Hindalco Employee's Gratuity Fund, Renukoot	Post-Employment Benefit Plan
3	Hindalco Employee's Provident Fund Institution, Renukoot	Post-Employment Benefit Plan
4	Hindalco Superannuation Scheme, Renukoot	Post-Employment Benefit Plan
5	Hindalco Industries Limited Employees' Provident Fund II	Post-Employment Benefit Plan
6	Hindalco Industries Limited Senior Management Staff Pension Fund II	Post-Employment Benefit Plan
7	Aditya Birla Management Corporation Private Limited (ABMCPL) @	Other related party in which Director is interested

@ The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support charged on cost basis.

(E) The following transactions were carried out with the related parties in the ordinary course of business

(₹ in Crore)

Nature of Transaction/Relationship	Note No.	Year Ended 31/03/2022	Year Ended 31/03/2021
Sale of Goods	26	86	50
Subsidiaries		86	50
Services rendered	26	12	9
Subsidiaries		1	1
Associates		-	-
Other related party in which Director is interested		11	8
Interest received during the year	27	8	3
Subsidiaries		6	1
Associates		2	2
Dividend received during the year	27	1	1
Subsidiaries		-	1
Associates		1	-
Contribution to		218	218
Post-Employment Benefit Plan		213	208
Trust Controlled by the Company		5	10
Interest paid	33	-	-
Subsidiaries		-	-
Purchase of Materials, Capital Equipment and Others		3,628	2,785
Subsidiaries**		3,606	2,768
Associates		22	17

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(₹ in Crore)

Nature of Transaction/Relationship	Note No.	Year Ended	
		31/03/2022	31/03/2021
Services received		**620**	**431**
Subsidiaries		45	27
Associates		16	14
Other related party in which Director is interested		559	390
Investments, Loans and Deposits made during the year	**5 to 10**	**235**	**2**
Subsidiaries		227	2
Associates		8	-
Joint Ventures		-	-
Investments, Loans and Deposits made returned back during the year by	**5 to 10**	**608**	**8**
Subsidiaries [!]		595	3
Associates		5	5
Joint Ventures		8	-
Investments, Deposits, Loans and Advances obtained during the year from		**1,000**	**-**
Subsidiary ~		1,000	-
Investments, Deposits, Loans and Advances repaid during the year to		**1,000**	**-**
Subsidiary ~		1,000	-
Licence and Lease agreements		**-**	**-**
Subsidiaries		-	-
Recovery of ESOP Expenses	**31**	**1**	**-**
Subsidiaries		1	-

(F) Outstanding balances: [#]

(₹ in Crore)

Nature of Transaction/Relationship	Note No.	Year Ended	
		31/03/2022	31/03/2021
Receivables and Advances	**10, 12**	**109**	**106**
Subsidiaries		17	16
Other related party in which Director is interested		88	89
Trust Controlled by the Company		4	1
Payables	**20**	**507**	**312**
Subsidiaries^		435	281
Associates		2	1
Other related party in which Director is interested		70	30
Trust Controlled by the Company		-	-
Loans and Deposits (Given)	**8, 9A, 9B**	**205**	**49**
Subsidiaries		169	8
Associates		36	41
Guarantees and Collateral Securities given		**5**	**5**
Subsidiaries		5	5

[#] all outstanding balances are unsecured and are payable in cash.

** Includes purchase of Alumina from Utkal Alumina International Limited amounting to ₹ 3553 crore (year ended 31/03/2021 ₹ 2722 crore).

^ Includes amount payable to Utkal Alumina International Limited amounting to ₹ 422 crore (year ended 31/03/2021 ₹ 274 crore).

~ represents loan obtained from and repaid to Utkal Alumina International Limited.

[!] Includes return of capital from AV Minerals (Netherlands) N.V. amounting to ₹ 557 crore (year ended 31/03/2021: Nil) including Foreign Currency Exchange gain of ₹ 160 crore.

(G) Compensation of Key Managerial Personnel (KMP) of the Company:

(₹ in Crore)

		Year ended	
		31/03/2022	31/03/2021
(a)	**Remuneration of Executive Directors - (i) and (ii)**	**53**	**29**
	Short term employment benefit	51	27
	Post employment benefits	2	2
(b)	**Remuneration to erstwhile Managing Director - (iii)**	**3**	**3**
	Post-employment benefits	3	3
(c)	**Remuneration of Non - Executive Directors**	**7**	**6**
	Commission & Sitting Fees	7	6

(i) Excludes amortisation of fair value of employee share-based payments under Ind AS 102.

(ii) As the liabilities for defined benefit plans and leave entitlements are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

(iii) The Board approved pension of Mr. D. Bhattacharya of ₹ 0.335 crore per month and other post-employment benefits for his past service when he was the Managing Director of the Company. The present value of the above pension liability determined based on the actuarial valuation is accounted by the Company in the financial statements. Amount charged as expenses in the statement of profit and loss during the year towards such post-employment benefit amounting to ₹ 3 crore (as at 31/03/2021 ₹ 3 crore) has been disclosed as a part of managerial remuneration above, and does not include the impact of actuarial (gains)/losses recognised in other comprehensive income.

44. Contingent Liabilities and Commitments

Refer Note 1B (K) for accounting policy on Provisions and contingencies

The Company is party to, and may in the future be involved in, or subject to, disputes, claims and proceedings arising in the ordinary course of our business, including some we assert against others, such as environmental, health and safety, product liability, employee, tax, personal injury and other matters. The Company has established a liability with respect to contingencies for which a loss is probable and estimable. While the ultimate resolution of liability and costs related to these matters cannot be determined with certainty, the Management does not believe any of these pending actions, individually or in the aggregate, will materially impact our operations or materially affect our financial condition or liquidity.The Company's estimates involve significant judgment, and therefore, the estimate will change from time to time and actual losses may differ from the current estimate.

Management reviews the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The evaluation model includes all asserted and unasserted claims that can be reasonably identified including claims relating to our responsibility for compliance with environmental, health and safety laws and regulations. The estimated costs in respect of such reported liabilities are not offset by amounts related to insurance or indemnification arrangements unless otherwise noted.

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(₹ in Crore)

		As at 31/03/2022	As at 31/03/2021
A.	**Contingent Liabilities**		
(a)	**Claims against Company not acknowledged as Debt:**		
(i)	Demand for Stamp Duty by Collector (Stamp), Kanpur, Uttar Pradesh (U.P.) on merger of Copper Business of IndoGulf Corporation with the Company.The matter is pending before the Hon'ble High Court of Allahabad. The Company believes that there is no substantive/computation provision for levy/calculation of stamp duty within the provisions of Uttar Pradesh Stamp Act on scheme of arrangement under the Companies Act, 1956, approved by the Court. Moreover, the properties in question are located in the State of Gujarat and, thus, the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. Further, the Company has already paid the stamp duty for the same in 2003-04 which has been accepted as per the provisions of the Bombay Stamp Act, 1958.	20	20
(ii)	Demand towards drawal of energy during peak hours by Uttar Pradesh Power Corporation Limited (UPPCL)/ Purvanchal Vidyut Vitran Nigam Limited (PVVNL).The dispute relates to the agreement entered with UPPCL for the period 2009-14. Demand was raised by UPPCL for drawl of banked energy during peak hours. The Hon'ble Supreme Court has stayed the demand and the matter is pending with Appellate Tribunal for Electricity (APTEL).	81	81
(iii)	Retrospective revision of Water Rates by UP Jal Vidyut Nigam Limited. Writ petition pending with Lucknow Bench of Allahabad High Court. The demand for arrears stayed.	4	4
(iv)	Demand for Entry Tax relating to valuation dispute. Appeals have been filed with Additional CCT, Sambalpur.	28	28
(v)	Interest demand on withholding of 50% payment of Entry tax. Appeal is pending before Hon'ble High Court of Odisha and stay has been granted.	27	27
(vi)	Demand from State and Central Sales Tax authorities for various years at different levels of appeal.	26	26
(vii)	Disallowances of Cenvat Credit on inputs & Capital goods & short payment of excise on additional consideration received from recipient of deemed exporter. Matters are pending with CESTAT.	9	9
(viii)	Disallowances of Service Tax credit on Input services at Various locations. These matters are pending with CESTAT authorities.	104	101
(ix)	Demand for recovery of cenvat credit availed on service tax paid on Goods Transport Agency (outward charges) . The matter is pending with Commissioner (Appeals), Vadodara & Commissioner, Bharuch.	9	9
(x)	Green Cess Provision Under Electricity Act Year-2012-13 to Year 2017-18. The matter is Pending at Hon'ble Supreme Court.	14	12
(xi)	Transitional Credit of cess. Writ Petition filed before Odisha and MP High Court.	-	27
(xii)	Penalty For Unauthorised Disposal Of Anode Butts. The matter is pending with Odisha High Court.	14	14
(xiii)	Other Contingent Liabilities in respect of Excise, Customs, Sales Tax etc. each being for less than ₹ 1 crore. The demands are in dispute at various legal forums .	8	9
		344	367
	It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, pending resolution of the respective proceedings.		
(b)	**Other money for which Company is contingently liable**		
(i)	Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled.	24	-
B.	**Commitments**		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,073	635
(b)	Other Commitment for purchase of goods and Services (Net of Advance)	3,100	21
(c)	The Company has given the undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary to hold minimum 51% equity shares in UAIL.		

45. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders, but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Total debt (total borrowings + lease liabilities) to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

(₹ in Crore)

	As at 31/03/2022	As at 31/03/2021
Debt Equity Ratio	0.36	0.40

As at March 31, 2022 and March 31, 2021, the Company was in compliance with all of its debt covenants for borrowings.

46. Offsetting Financial Liabilities and Financial Assets

Refer Note 1B (P) for accounting policy on Financial Instruments

Financial instruments subject to offsetting , enforceable master netting arrangement and similar arrangements.

(₹ in Crore)

As at 31/03/2022	Effects on Balance sheet			Related amounts not offset		
	Gross amount	Gross amount set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral	Net Amount
Financial Assets						
Derivatives	705	(24)	681	-	-	681
Financial Liabilities						
Derivatives	3,787	(24)	3,763	-	(345)	3,418

(₹ in Crore)

As at 31/03/2021	Effects on Balance sheet			Related amounts not offset		
	Gross amount	Gross amount set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral	Net Amount
Financial Assets						
Derivatives	800	(80)	720	-	-	720
Financial Liabilities						
Derivatives	2,025	(80)	1,945	-	(267)	1,678

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47. Financial Instruments

Refer Note 1B (P) for accounting policy on Financial Instruments

A Fair Value Measurement

(a) The following table shows the carrying amounts of Financial Assets and Financial Liabilities by category:

(₹ in Crore)

	Note No.	As at 31/03/2022 Amortised Cost	FVTOCI	FVTPL	As at 31/03/2021 Amortised Cost	FVTOCI	FVTPL
Financial Assets							
Investments in Associate							
Unquoted Instruments	6	-	154	-	-	128	-
Investments in Equity Instruments							
Quoted Equity Instruments*	7A & 7B	-	8,195	-	-	7,200	-
Unquoted Equity Instruments*	7A	-	15	-	-	20	-
Investments in Debt Instruments							
Mutual Funds	7A & 7B	-	-	4,335	-	-	7,026
Bonds and Debentures	7B	-	-	152	-	-	164
Government Securities	7A & 7B	-	375	-	-	385	-
Loans	8	217	-	-	60	-	-
Trade receivables	12	1,935	-	736	1,315	-	287
Cash and Cash Equivalents							
Cash and Bank	13	2,795	-	-	262	-	-
Liquid Mutual Funds	13	-	-	610	-	-	741
Bank Balances other than cash & cash equivalents	14	3,015	-	-	16	-	-
Derivatives	49	-	-	681	-	-	720
Other financial assets	9A & 9B	1,388	-	-	442	-	-
		9,350	8,739	6,514	2,095	7,733	8,938

(₹ in Crore)

	Note No.	As at 31/03/2022 Amortised Cost	FVTPL	As at 31/03/2021 Amortised Cost	FVTPL
Financial Liabilities					
Borrowings					
Borrowings, Non-Current	18A	11,668	-	9,177	-
Non convertible debentures (NCDs)	18B	5,999	-	5,997	-
Borrowings, Current	18B	1,412	-	4,755	-
Lease Liabilities	2	342	-	311	-
Supplier's Credit	19	2,456	-	255	-
Trade Payables	20	5,942	5,073	4,029	4,771
Derivatives	49	-	3,763	-	1,945
Other financial Liabilities	21A & 21B	1,013	-	947	-
		28,832	8,836	25,471	6,716

* The Company had acquired certain equity instruments for purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorized as FVTOCI.

(b) The following table shows the fair values of Financial Assets and Financial Liabilities measured at amortised cost:

(₹ in Crore)

	Note No.	As at 31/03/2022 Carrying value	Fair Value	As at 31/03/2021 Carrying value	Fair Value
Financial Assets					
Loans	8	45	45	11	11
Other Financial Asset, Non Current	9A	232	232	188	188
		277	277	199	199

(₹ in Crore)

	Note No.	As at 31/03/2022 Carrying value	Fair Value	As at 31/03/2021 Carrying value	Fair Value
Financial Liabilities					
Borrowings					
Non convertible debentures (NCDs)	18B	5,999	6,025	5,997	6,182
Long term Borrowings #	18A	11,676	11,778	9,642	9,718
Other Financial Liabilities, Non - Current	21A	13	13	10	10
		17,688	17,816	15,649	15,910

Carrying amount includes current portion of long term borrowing shown under short term borrowing (Refer Note 18B).

Fair Value of borrowings does not include interest accrued but not due.

Fair values for current financial assets and financial liabilities have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

(c) Classification of finance income and finance cost by instrument category

(₹ in Crore)

	Note No.	Year ended 31/03/2022 Amortised Cost	FVTOCI	FVTPL	Year ended 31/03/2021 Amortised Cost	FVTOCI	FVTPL
Income							
Interest Income (i)	27	116	19	9	72	18	15
Dividend Income (ii)	27	-	31	-	-	18	-
		116	50	9	72	36	15
Expense							
Interest Expense (iii)	33	1,330	-	-	1,419	-	-
		1,330	-	-	1,419	-	-

(₹ in Crore)

Details of amount not included in the table above	As at 31/03/2022	As at 31/03/2021
(iii) Interest on Income Tax and other finance cost	87	50

For amortised cost and FVTOCI instruments, interest expense is recognised at effective interest rate.

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(d) Derecognition of Investments in Equity Instruments designated at FVTOCI

(₹ in Crore)

	Year ended			
	31/03/2022		31/03/2021	
	Fair value on the date of derecognition	Cumulative gain or (loss) on disposal	Fair value on the date of derecognition	Cumulative gain or (loss) on disposal
Investment in Equity Instrument- Quoted				
National Aluminium Company Limited	116	68	-	-
	116	68	-	-

B Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy:

(a) Financial assets and financial liabilities measured at fair value - recurring fair value measurements:

(₹ in Crore)

	Note No.	As at					
		31/03/2022			31/03/2021		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets							
Investments in Associates							
Unquoted Instruments	6	-	-	154	-	-	128
		-	-	154	-	-	128
Investments in Equity Instruments							
Quoted Equity Instruments	7A & 7B	8,195	-	-	7,200	-	-
Unquoted Equity Instruments	7A	-	-	15	-	-	20
		8,195	-	15	7,200	-	20
Investments in Debt Instruments							
Mutual Funds	7A & 7B	4,333	2	-	7,022	4	-
Bonds and Debentures	7B	-	-	152	-	77	87
Government Securities	7A & 7B	235	140	-	262	123	-
		4,568	142	152	7,284	204	87
Trade Receivables	12	-	736	-	-	287	-
Cash and Cash Equivalents							
Liquid Mutual Funds	13	610	-	-	741	-	-
Derivatives	49	-	681	-	-	720	-
		13,373	1,559	321	15,225	1,211	235
Financial Liabilities							
Trade Payables	20	-	5,073	-	4,771	-	-
Derivatives	49	-	3,763	-	1,945	-	-
		-	8,836	-	6,716	-	-

(b) Fair value disclosure of Financial Assets and Financial Liabilities measured at amortised cost:

(₹ in Crore)

	Note No.	As at					
		31/03/2022			31/03/2021		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities							
Borrowings							
Non convertible debentures (NCDs)	18B	-	6,025	-	-	6,182	-
Long term Borrowings	18A	-	11,778	-	-	9,718	-
Other Financial Liabilities, Non - Current	21A	-	13	-	-	10	-
		-	17,816	-	-	15,910	-

(₹ in Crore)

	Note No.	As at					
		31/03/2022			31/03/2021		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets							
Loans	8			45			11
Other Financial Asset, Non- Current	9A	-	-	232	-	-	188
		-	-	277	-	-	199

Level 1 Hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2 Hierarchy includes financial instruments that are not traded in active market. This includes over the counter (OTC) derivatives, close ended mutual funds and debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in level 2. Borrowings have been fair valued using credit adjusted interest rate prevailing on the reporting date. Trade Receivables and Payables that are realigned based on forward LME/LBMA price movements have been included in Level 2 hierarchy.

Level 3 If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants.

(iii) Disclosure of changes in level 3 items for the period ended 31/03/2022 and 31/03/2021 respectively

(₹ in Crore)

	Unquoted Associates	Unquoted Equity Instruments	Unquoted Debt Instruments	Total
As at 01/04/2020	34	27	224	285
Acquisitions	-	-	-	-
Sale	-	-	(49)	(49)
Gain/(losses) recognised in Profit or loss	-	-	2	2
Gain/(losses) recognised in OCI	94	(7)	-	87
Transfer from Level 1 and 2	-	-	6	6
Transfer to Level 1 and 2	-	-	(96)	(96)

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(₹ in Crore)

	Unquoted Associates	Unquoted Equity Instruments	Unquoted Debt Instruments	Total
As at 31/03/2021	128	20	87	235
Acquisitions	8	-	-	8
Sale	-	-	(10)	(10)
Gain/(losses) recognised in Profit or loss	-	-	9	9
Gain/(losses) recognised in OCI	18	(5)	-	13
Transfer from Level 1 and 2	-	-	66	66
Transfer to Level 1 and 2	-	-	-	-
As at 31/03/2022	154	15	152	321
Unrealised Gain/(loss) recognised in profit and loss relating to assets and liabilities held at the end of reporting period:				
As at 31/03/2022	-	-	9	9
As at 31/03/2021	-	-	5	5

Transfers from level 1 and 2 to level 3 and out of level 3 for unquoted debt instruments is based on unavailability/availability of market observable inputs as on the reporting date. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iv) Sensitivity analysis of Level-3 Instruments:

(₹ in Crore)

Increase/(Decrease) in Fair Value	Unquoted Associates		Unquoted Equity Instruments		Unquoted Debt Instruments	
	Impact on Statement of Profit and Loss Post Tax	Impact on OCI Post Tax	Impact on Statement of Profit and Loss Post Tax	Impact on OCI Post Tax	Impact on Statement of Profit and Loss Post Tax	Impact on OCI Post Tax
Increase in Yield by 0.5%						
As at 31/03/2022	-	-	-	-	(2)	-
As at 31/03/2021	-	-	-	-	(1)	-
Increase in Price to Book Multiple by 10%						
As at 31/03/2022	-	7	-	1	-	-
As at 31/03/2021	-	7	-	1	-	-

Sensitivity with decrease in yield and Price Book Multiplier by 0.5% and 10% will have equal and opposite impact in financial statement.

(v) Valuation Process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management of the Company has set up a team in the finance department which performs the valuation of financial assets and liabilities.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The team reports findings to the Management of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

(vi) Valuation techniques used for valuation of instruments categorised as level 3

For valuation of investments in equity shares and associates which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done by considering the net worth of the Company and price to book multiple to arrive at the fair value. In cases where income approach was feasible valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process.

For valuation of investments in debt securities categorised as level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

48. Financial Risk Management

Refer Note 1B (P) for accounting policy on Financial Instruments

The Company's activities exposes it to various risks such as market risk, liquidity risk and credit risk. This section explains the risks, which the Company is exposed to and how it manages those risks.

A Market Risk

(i) Market Risk : Commodity Price Risk

Hindalco's India Operations consist of two businesses – Copper Business and Aluminium Business. The Copper Business works under a "Custom Smelting" model wherein the focus is to improve the processing margin. The timing mis-match risk between the input and output price, which is linked to the same international pricing benchmark, is eliminated through use of derivatives. This off-set hedge model (through use of derivatives) is used to manage the timing mis-match risk for both Commodity (Copper and Precious Metals) and Currency Risk (primarily, USD/INR). The Copper Business also has a portion of View Based exposure for both Commodity and Currency, beyond the above timing mis-match risk. Lower Copper Prices, Stronger USD/INR exchange rate and Higher "Other Input" Prices (eg Coal, furnace oil, natural gas etc) are the major price risks that adversely impact the business. Here, the Company may use derivative instruments, wherever available, to manage these pricing risks. A variety of factors, including the risk appetite of the business and price view, are considered while taking Hedging Decisions. Such View based hedges are usually done for the next 1-12 quarters.

The Aluminium Business is a vertically integrated business model wherein the input and output pricing risks are independent of each other, i.e. – are on different pricing benchmarks, if any. Here, the Company may use derivative instruments, wherever available, to manage its pricing risks for both input and output products. Lower Aluminium Prices, Stronger USD/INR exchange rate and Higher Input Prices (e.g. Alumina, furnace oil, coal, coal tar pitch) are the major price risks that adversely impact the Business. Hedging decisions are based on a variety of factors, including risk appetite of the business and price View. Such Hedge decisions are usually done for the next 1-12 quarters.

Embedded Derivatives

Copper concentrate is purchased on future pricing model based on month's average LME (in case of copper) / LBMA (in case of gold and silver). Since, the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to inventory.

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(a) The table below summarises gain/(loss) impact of increase/decrease in the commodity price on the company's equity and profit for the year:

(₹ in Crore)

Commodity Risk	Price Index	Increase in Price	Year ended			
			31/03/2022		31/03/2021	
			Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax	Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax
Aluminium	LME	10%	-	(767)	-	(613)
Copper	LME	10%	(850)	-	(696)	(24)
Gold	LBMA/ MCX	10%	(136)	-	(104)	-
Silver	LBMA	10%	(10)	-	(19)	-
Furnace Oil	AG Platts	10%	-	-	-	6

Decrease in prices by 10% will have equal and opposite impact in financial statements. Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the outstanding derivative position as on the reporting date by assuming all other factors constant.

(ii) Market Risk : Foreign Currency Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange inflow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The company enters into various foreign exchange contracts to protect profitability. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities.

During the year ended, the Company's foreign c exposure arising from exports and import transactions resulted in the FOB value of exports amounting to ₹ 21,416 crore (31/03/2021 ₹ 13,860 crore) and the CIF value of imports amounting to ₹ 36,807 crore (31/03/2021 ₹ 21,274 crore).

(a) The Company's net exposure to foreign currency risk at the end of the reporting period expressed in ₹ is given below:

Unhedged Foreign Currency Payable / (Receivable)

(₹ in Crore)

Currency Pair	As at	
	31/03/2022	31/03/2021
NOK	1	1
CHF	1	1
	2	2

Assets and liabilities that are naturally hedged against future transactions are excluded for the purpose of above disclosure. As on March 31, 2022 the Company has USD, EUR and GBP foreign currency payables of ₹ 10,126 crore (March 31, 2021 ₹ 9,870 crore) which will be offseted by an equal amount of foreign currency receivables in the next financial year.

(b) The table below summarises gain/(loss) impact of increase/decrease in the exchange rates on the Company's equity and profit for the year:

(₹ in Crore)

Currency Risk	Increase in Rate/Price	Year ended			
		31/03/2022		31/03/2021	
		Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of EquityPost Tax	Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of EquityPost Tax
USD/INR	10%	(13)	(1,158)	33	(1,110)
EUR/INR	10%	-	-	3	1
EUR/USD	10%	8	-	-	-

Decrease in prices by 10% will have equal and opposite impact in financial statements.Sensitivity analysis has been computed by stress testing the market price of the underlying currency index on the outstanding derivative position and unhedged exposure as on the reporting date by assuming all other factors constant.

(iii) Market Risk: Equity Securities Price Risk

The Company's exposure to equity securities price risk arises from movement in market price of related securities classified either as FVTOCI or FVTPL. The Company manages the price risk through diversified portfolio.

The table below summarises gain/(loss) impact on of increase/decrease in the equity share price on the Company's equity and profit for the year:

(₹ in Crore)

Other Price Risk	Price Index	Increase Rate/Price	Year ended			
			31/03/2022		31/03/2021	
			Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of EquityPost Tax	Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of EquityPost Tax
Investment in Equity Securities	NSE	10%	-	724	-	636

Decrease in prices by 10% will have equal and opposite impact in financial statements.Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date by assuming all other factors constant.

(iv) Market Risk: Interest Rate Risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates. Such interest rate risk is actively evaluated and interest rate swap is taken whenever considered necessary.

The Company is also exposed to interest rate risk on its financial assets that include fixed deposits, bonds, debentures, commercial papers, other mutual funds and liquid investments comprising mainly mutual funds (which are part of cash and cash equivalents). Since, majority of these are generally for short durations, the Company believes it has limited interest rate risk.

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(a) **The table below summarises gain/(loss) impact of increase/decrease in the interest rates on the Company's equity and profit for the year:**

(₹ in Crore)

Interest Rate Risk	Increase in Rate	Year ended 31/03/2022 Gain/ (Loss) in Statement of Profit and Loss Post Tax	Year ended 31/03/2022 Gain/ (Loss) in Other Components of Equity Post Tax	Year ended 31/03/2021 Gain/ (Loss) in Statement of Profit and Loss Post Tax	Year ended 31/03/2021 Gain/ (Loss) in Other Components of Equity Post Tax
Interest rate on floating rate borrowings	100 bps	(60)	-	(61)	-

Decrease in rates by 100 bps will have equal and opposite impact in financial statements.Sensitivity analysis has been computed by stress testing the interest rates applicable (i.e. USD 6M SOFR, SBI 3M MCLR, PNB 1M MCLR, Repo Rate and 3M T-bill etc.) on the amount of borrowings during the year by assuming all other factors constant.

Derivatives

The Company does have any interest rate hedges oustanding as on the reporting date, accordingly IBOR related impact on hedge accounting including discounting of other derivatives is not expected to be material.

B Liquidity Risk

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

(i) Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crore)

	As at 31/03/2022	As at 31/03/2021
Bank Overdraft and other facilities	1,642	1,652

Undrawn limit has been calculated based on the available drawing power and sanctioned amount at each reporting date.

(ii) Maturity Analysis

The company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net settled derivative financial instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Crore)

Contractual maturities of financial liabilities as at 31/03/2022	Note No.	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 years	Total	Carrying Value
Non Derivatives							
Borrowings (a)							
Principal Payments	18A, 18B & 21B	7,412	83	3,991	7,651	19,137	19,079
Interest Payments		897	757	2,048	1,126	4,828	-
Lease liabilities (b)	2	82	54	130	542	808	342
Supplier's Credit	19	2,459	-	-	-	2,459	2,456
Trade payables	20	11,015	-	-	-	11,015	11,015
Other financial liabilities	21A & 21B	1,000	13	-	-	1,013	1,013
		22,865	**907**	**6,169**	**9,319**	**39,260**	**33,905**
Derivatives (net settled)	49						
Commodity forwards/swaps/options		3,368	387	10	-	3,765	3,732
Currency forwards/options		31	-	-	-	31	31
		3,399	**387**	**10**	**-**	**3,796**	**3,763**

(₹ in Crore)

Contractual maturities of financial liabilities as at 31/03/2021	Note No.	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 years	Total	Carrying Value
Non Derivatives							
Borrowings (a)							
Principal Payments	18A, 18B & 21B	4,757	6,008	2,023	7,202	19,990	19,929
Interest Payments		731	1,198	1,752	1,086	4,767	-
Lease liabilities (b)	2	91	48	95	560	794	311
Supplier's Credit	9A	255	-	-	-	255	255
Trade payables	20	8,800	-	-	-	8,800	8,800
Other financial liabilities	21A & 21B	937	10	-	-	947	947
		15,571	**7,264**	**3,870**	**8,848**	**35,553**	**30,242**
Derivatives (net settled)	49						
Commodity forwards/swaps/options		1,543	365	26	-	1,934	1,932
Currency forwards/options		14	-	-	-	14	13
		1,557	**365**	**26**	**-**	**1,948**	**1,945**

(a) Includes Principal and interest payments, short term borrowings, current portion of debt and excludes unamortised fees.

(b) Total cash outflow for leases for the year ended 31/03/2022 is ₹ 225 crore (31/03/2021: ₹ 181 crore), includes ROU Lease payment, Short term lease and Low value lease, refer note 18A(d) and 37.

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(C) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed on an entity level basis. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating risk of financial loss from defaults. The Company invests only in those instruments issued by high rated banks/ institutions and government agencies. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company's investments in debt instruments and certain loans are considered to have low credit risk. The credit ratings of the investments are monitored for credit deterioration.

For some trade receivables the Company obtains security in the form of guarantees, deed of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The Company periodically monitors the recoverability and credit risks of its other financials assets including security deposits and other receivables. The Company evaluates 12 month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

(i) Summary of trade receivables and provision with ageing as at 31-Mar-22

(₹ in Crore)

Particulars	Past due						
	Not due	1 to 30 days	31 to 60 days	61 to 120 days	121 to 180 days	Over 180 days	Total
Gross carrying amount - Domestic	1,938	133	37	18	6	49	2,181
Gross carrying amount - Export	501	23	1	1	-	1	527
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	6.00%	0.11%
Expected credit loss provision	-	-	-	-	-	3	3
Loss allowance - Credit impaired - Export	-	-	-	-	-	1	1
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	33	33
Total Provision	-	-	-	-	-	37	37
Carrying amount of trade receivables (net of impairment)	**2,439**	**156**	**38**	**19**	**6**	**13**	**2,671**

(ii) Summary of trade receivables and provision with ageing as at 31-Mar-21

(₹ in Crore)

Particulars	Past due						
	Not due	1 to 30 days	31 to 60 days	61 to 120 days	121 to 180 days	Over 180 days	Total
Gross carrying amount - Domestic	974	176	43	21	40	41	1,295
Gross carrying amount - Export	294	37	7	-	-	1	339
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	4.72%	0.12%
Expected credit loss provision	-	-	-	-	-	2	2
Loss allowance - Credit impaired - Export	-	-	-	-	-	1	1
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	29	29
Total Provision	-	-	-	-	-	32	32
Carrying amount of trade receivables (net of impairment)	**1,268**	**213**	**50**	**21**	**40**	**10**	**1,602**

(iii) Reconciliation of Provision

(₹ in Crore)

Loss allowance as at 31/03/2020	39
changes in loss allowance	(7)
Loss allowance as at 31/03/2021	32
changes in loss allowance	5
Loss allowance as at 31/03/2022	37

Of the trade receivables balance as at 31/03/2022, ₹ 368 crore (as at 31/03/2021, ₹ 214 crore) is due from a single customer being the Company's largest customer. There are no other customers who represent more than 10% of the total balance of trade receivables.

Financial assets at FVTPL and at FVTOCI: The Company is also exposed to credit risks in relation to financial assets that are measured at FVTPL or at FVTOCI. The maximum exposure at the end of the reporting period is the carrying amount of these assets.

49. Derivative Financial Instruments:

Refer Note 1B (P) for accounting policy on Financial Instruments
Refer Note 1B (Q) for accounting policy on Derivatives and hedge accounting

The Company uses derivative financial instruments such as forwards, futures, swaps, options etc. to hedge its risks associated with foreign exchange fluctuation and price risk movements. Risks associated with fluctuation in the price of the products (copper, aluminium, coal, furnace oil, natural gas, coal tar pitch and precious metals) are minimized by undertaking appropriate derivative instruments. Derivatives embedded in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

The Company also applies hedge accounting using certain foreign currency non-derivative monetary items which are used as hedging instruments for hedging foreign exchange risk.

Notes
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(A) The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ in Crore)

	Nature of Risk being Hedged	As at 31/03/2022 Liability	Asset	Net Fair Value	As at 31/03/2021 Liability	Asset	Net Fair Value
Current							
Cash flow hedges							
Commodity contracts	Price Risk Component	(2,769)	13	(2,756)	(948)	36	(912)
Foreign currency contracts	Exchange rate movement risk	(7)	215	208	-	135	135
Fair Value Hedge							
Commodity contracts	Price Risk Component	(175)	59	(116)	(99)	285	186
Foreign currency contracts	Exchange rate movement risk	(12)	1	(11)	(10)	-	(10)
Embedded Derivatives (i)	Risk of change in Fair Value of unpriced inventory	(489)	5	(484)	(411)	120	(291)
Non-designated hedges							
Commodity contracts	Price Risk Component	(401)	211	(190)	(495)	37	(458)
Foreign currency contracts	Exchange rate movement risk	(12)	8	(4)	(3)	2	(1)
Total		**(3,865)**	**512**	**(3,353)**	**(1,966)**	**615**	**(1,351)**
Non - current							
Cash flow hedges							
Commodity contracts	Price Risk Component	(387)	2	(385)	(390)	2	(388)
Foreign currency contracts	Exchange rate movement risk	-	172	172	-	223	223
Non-designated hedges							
Foreign currency contracts	Exchange rate movement risk	-	-	-	-	-	-
Total		**(387)**	**174**	**(213)**	**(390)**	**225**	**(165)**
Grand Total		**(4,252)**	**686**	**(3,566)**	**(2,356)**	**840**	**(1,516)**

(i) Fair Value net loss of ₹ 484 crore (31/03/2021 net Loss ₹ 291 crore) is classified as part of Trade Payables.

The maturity profile for Commodity forwards, Swaps and Options ranges from April 2022 to March 2024, Foreign Exchange Forwards ranges from April 2022 to March 2025. Hedge Ratio of 1:1 is used by the Company.

The maturity profile of hedges taken based on the nature of risk hedged is tabulated below :

Risk Category	Commodity/ Currency Pair	% of Outstanding Hedges FY 2023	FY 2024	FY 2025
Price Risk	Aluminium	87%	13%	-
	Copper	100%	-	-
	Gold	100%	-	-
	Silver	100%	-	-
Exchange Risk	USD_INR	82%	8%	10%
	EUR_INR	100%	0%	0%
	GBP_INR	0%	0%	0%
	SGD_INR	0%	0%	0%
	EUR_USD	96%	4%	0%

(B) Outstanding position and fair value of various foreign exchange derivative financial instruments:

(₹ in Crore)

	Currency Pair	As at 31/03/2022 Weighted Average Strike Rate	Notional Value (in Million)	Fair Value Gain/ (Loss)	As at 31/03/2021 Weighted Average Strike Rate	Notional Value (in Million)	Fair Value Gain/ (Loss)
Foreign currency forwards							
Cash flow hedges							
Sell	USD_INR	81.22	1,196	380	81.45	1,069	358
Total				**380**			**358**
Fair Value hedges							
Buy	USD_INR	76.85	189	(11)	74.45	159	(10)
Total				**(11)**			**(10)**
Non-Designated							
Buy	EUR_INR	98.96	0	(0)	88.57	6	(1)
Buy	USD_INR	77.04	0	(0)	72.98	28	1
Sell	USD_INR	76.35	182	7	73.07	51	(1)
Buy	SGD_INR	-	-	-	55.85	1	-
Buy	EUR_USD	1.19	16	(11)	-	-	-
Total				**(4)**			**(1)**
Grand Total				**365**			**347**

Notes
forming part of the Standalone Financial Statements

(C) Outstanding position and fair value of various foreign exchange non-derivative financial instruments used as hedging instruments:

(₹ in Crore)

	Note No.	Currency Pair	As at 31/03/2022 Average exchange rate	31/03/2022 Notional Value (in Million)	31/03/2022 Fair Value Gain/ (Loss)	As at 31/03/2021 Average exchange rate	31/03/2021 Notional Value (in Million)	31/03/2021 Fair Value Gain/ (Loss)
Foreign currency monetary items								
Cash flow hedges								
Debt	18B	USD_INR	74.55	185	(25)	73.13	580	11
Liability for Copper Concentrate								
Host Liability		USD_INR	75.51	695	(19)	72.84	680	(19)
Supplier credit	19	USD_INR	74.77	324	(39)	-	-	-
Total					**(83)**			**(8)**

(D) Outstanding position and fair value of various commodity derivative financial instruments

(i) Outstanding position and fair value of various commodity derivative financial instruments as at 31st Mar, 2022:

(₹ in Crore)

		Currency	Weighted Average Strike Rate	Quantity	Unit	Notional value (in millions)	Fair Value Gain/ (Loss)
Commodity Futures/Forwards/Swaps							
Cash Flow Hedge							
Aluminium	Sell	USD	2,535.15	456,000	MT	1,156	(3,141)
Copper	Sell	USD	-	-	MT	-	-
Furnace Oil	Buy	USD	-	-	MT	-	-
Total							**(3,141)**
Fair Value Hedge							
Copper	Sell	USD	10,551.83	37,600	MT	397	50
Gold	Sell	INR	4,972,320	7,543	KGS	37,506	(159)
Silver	Sell	USD	23	485,904	TOZ	11	(7)
Total							**(116)**
Non Designated hedges							
Aluminium	Buy	USD	3,545.65	32,150	MT	114	(14)
Aluminium	Sell	USD	1,902.34	32,100	MT	61	(386)
Copper	Buy	USD	10,156.12	27,400	MT	278	45
Copper	Sell	USD	10,762.54	35,500	MT	382	105
Gold	Buy	INR	5,041,209	4,352	KGS	21,939	51
Silver	Buy	USD	24.65	244,244	TOZ	6	-
Silver	Sell	USD	24.37	244,244	TOZ	6	(1)
Furnace Oil	Buy	USD	241.34	3,335	MT	1	10
Furnace Oil	Sell	USD	634.23	3,335	MT	2	-
Total							**(190)**

(₹ in Crore)

		Currency	Weighted Average Strike Rate	Quantity	Unit	Notional value (in millions)	Fair Value Gain/ (Loss)
Embedded derivatives							
Fair Value Hedge							
Copper	Sell	USD	9,838.28	120,552	MT	1,186	(487)
Gold	Sell	USD	1,949.23	29,697	TOZ	58	2
Silver	Sell	USD	24.91	371,143	TOZ	9	0
Total							**(484)**
Grand Total							**(3,931)**

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2021:

(₹ in Crore)

		Currency	Weighted Average Strike Rate	Quantity	Unit	Notional value (in millions)	Fair Value Gain/(Loss)
Commodity Futures/Forwards/Swaps							
Cash Flow Hedge							
Aluminium	Sell	USD	1,902.25	547,250	MT	1,041	(1,307)
Copper	Sell	USD	8,331.38	5,875	MT	49	(19)
Furnace Oil	Buy	USD	222.52	40,000	MT	9	33
Total							**(1,293)**
Fair Value Hedge							
Copper	Sell	USD	8,564.24	46,325	MT	397	(76)
Gold	Sell	INR	4,841,222	7,109	KGS	34,416	260
Silver	Sell	USD	24.72		TOZ	26	2
Total							**186**
Non Designated hedges							
Aluminium	Buy	USD	2,174.75	82,825	MT	180	12
Aluminium	Sell	USD	1,724.41	82,495	MT	142	(283)
Copper	Buy	USD	8,901.87	32,575	MT	290	(26)
Copper	Sell	USD	8,543.45	38,725	MT	331	(71)
Gold	Buy	INR	4,633,701	4,608	KGS	21,352	(78)
Silver	Buy	USD	26.02	1,037,171	TOZ	27	(12)
Silver	Sell	USD	23.88		TOZ	28	(5)
Furnace Oil	Buy	USD	271.47	7,446	MT	2	5
Furnace Oil	Sell	USD	373.43	7,446	MT	3	-
Total							**(458)**
Commodity Options							
Cash Flow Hedge							
Aluminium	Sell	USD	2,200.42	45,000	MT	99	(7)
Total							**(7)**
Embedded derivatives							
Fair Value Hedge							
Copper	Sell	USD	8,433.72	113,831	MT	960	(302)
Gold	Sell	USD	1,724.11	38,284	TOZ	66	5
Silver	Sell	USD	26.17	498,103	TOZ	13	6
Total							**(291)**
Grand Total							**(1,863)**

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(E) The following table presents details of amount held in Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and the period during which these are going to be released and affecting Statement of Profit and Loss.

(₹ in Crore)

Cash Flow Hedges	As at					
	31/03/2022			31/03/2021		
	Closing Value Cash Flow Hedges	Release		Closing Value Cash Flow Hedges	Release	
		Within 12 Months	After 12 Months		Within 12 Months	After 12 Months
	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards/Futures/Swaps						
Aluminium	(3,132)	(2,987)	(145)	(1,306)	(1,001)	(305)
Copper	-	-	-	(19)	(19)	-
Furnace Oil	-	-	-	33	33	-
	(3,132)	**(2,987)**	**(145)**	**(1,292)**	**(987)**	**(305)**
Non-Derivative Financial Instruments						
Debt	(25)	(25)	-	11	11	-
Liability for Copper Concentrate						
Host Liability	(29)	(29)	-	5	5	-
Supplier credit	(39)	(39)	-			
Foreign currency Forwards						
USD_INR	379	207	172	358	135	223
	286	**114**	**172**	**374**	**151**	**223**
	(2,846)	**(2,873)**	**27**	**(918)**	**(836)**	**(82)**
Deferred Tax on above	995	1,004	(9)	322	293	29
Total	**(1,851)**	**(1,869)**	**18**	**(596)**	**(543)**	**(53)**

(₹ in Crore)

Cost of Hedging Reserve	As at					
	31/03/2022			31/03/2021		
	Closing Value Cost of Hedge Reserve	Release		Closing Value Cost of Hedge Reserve	Release	
		Within 12 Months	After 12 Months		Within 12 Months	After 12 Months
	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
Commodity Forwards/Swaps						
Copper	(60)	(60)	-	22	22	-
Silver	-	-	-	-	-	-
Commodity Options						
Aluminium	-	-	-	(7)	(7)	-
	(60)	**(60)**	**-**	**15**	**15**	**-**
Deferred Tax on above	21	21	-	(5)	(5)	-
Total	**(39)**	**(39)**	**-**	**10**	**10**	**-**

(F) Gain/(loss) recognized in OCI and recycled:

i The following tables presents the amount of gain/(loss) recognized in Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and recycled during the financial year 2021-22:

(₹ in Crore)

	Opening Balance	Net Amount recognised	Recycled			Closing Balance
			Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount recycled	
Cash Flow Hedges						
Commodity	(1,292)	(4,287)	(2,508)	62	(2,446)	(3,133)
Forex	373	(67)	20	-	20	286
Total	**(919)**	**(4,354)**	**(2,488)**	**62**	**(2,426)**	**(2,847)**
Deferred Tax on above	323	1,521	869	(21)	848	996
Total	**(596)**	**(2,833)**	**(1,619)**	**41**	**(1,578)**	**(1,851)**

	Opening Balance	Net Amount recognised	Recycled			Closing Balance
			Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount recycled	
Cost of Hedging Reserve						
Commodity	15	(360)	(285)	-	(285)	(60)
Forex	-	-	-	-	-	-
Total	**15**	**(360)**	**(285)**	**-**	**(285)**	**(60)**
Deferred Tax on above	(5)	126	100	-	100	21
Total	**10**	**(234)**	**(185)**	**-**	**(185)**	**(39)**

ii The following tables presents the amount of gain/(loss) recognized in Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and recycled during the financial year 2020-21:

(₹ in Crore)

	Opening Balance	Net Amount recognised	Recycled			Closing Balance
			Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount recycled	
Cash Flow Hedges						
Commodity	604	(2,574)	(681)	3	(678)	(1,292)
Forex	(763)	1,020	(115)	(1)	(116)	373
Total	**(159)**	**(1,554)**	**(796)**	**2**	**(794)**	**(919)**
Deferred Tax on above	57	543	278	(1)	277	323
Total	**(102)**	**(1,011)**	**(518)**	**1**	**(517)**	**(596)**

	Opening Balance	Net Amount recognised	Recycled			Closing Balance
			Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount recycled	
Cost of Hedging						
Commodity	1	48	34	-	34	15
Forex	182	7	189	-	189	-
Total	**183**	**55**	**223**	**-**	**223**	**15**
Deferred Tax on above	(64)	(19)	(78)	-	(78)	(5)
Total	**119**	**36**	**145**	**-**	**145**	**10**

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(G) The following table presents the amount of gain/ (loss) recycled from Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and reference of the line item in the Statement of Profit and Loss where those amounts are included:

(₹ in Crore)

Note No.	Note Description	Particulars	Year Ended	
			31/03/2022	31/03/2021
26	Revenue From Operations	Aluminium Products	(2,411)	(471)
26	Revenue From Operations	Copper and Copper Products	(203)	(136)
26	Revenue From Operations	Precious Metals	-	-
37	Other Expenses	Gain/(Loss) on Derivatives	(159)	34
			(2,773)	(573)

(H) The adjustment as a part of the carrying value of inventories arising on account of fair value hedges is as follows:

(₹ in Crore)

Increase/ (Decrease) in Inventory Value	As at					
	31/03/2022			31/03/2021		
Inventory Type	Raw Material	WIP and Finished Goods	Total	Raw Material	WIP and Finished Goods	Total
Copper	487	(48)	439	302	93	395
Gold	(2)	69	67	(5)	(54)	(59)
Silver	-	6	6	(6)	(5)	(11)
	485	27	512	291	34	325

(I) The Company's hedging policy only allows for effective hedge relationships to be established. The effective portion of hedge is recognised in OCI, while ineffective portion of hedge is recognised immediately in the Statement of Profit and Loss. For Cash flow hedges, the Company uses hypothetical derivative method to assess effectiveness based on "lower off" assessment.

Sources of Hedge ineffectiveness summarised by risk category are as follows :

Risk Category	Sources of Hedge Ineffectiveness	Type of Hedge
Price Risk	Critical terms Mismatch	Cash Flow and Fair Value Hedge
Basis Risk	Fair Value Hedge	
Credit Risk Adjustment	Cash Flow and Fair Value Hedge	
Exchange Risk	Credit Risk Adjustment	Cash Flow Hedge

The amount of gain/ (loss) recognised in the Statement of Profit and Loss on account of hedge ineffectiveness is as follows:

(₹ in Crore)

				Year Ended	
Note No.	Note Description	Note Description	Type of Hedge	31/03/2022	31/03/2021
37	Other Expenses	Gain/(Loss) on Derivatives	Cash Flow Hedges	(162)	(111)
37	Other Expenses	Gain/(Loss) on Derivatives	Fair Value Hedges	(130)	(33)
				(292)	(144)

(J) Certain hedges of forecast sale transaction for hedging currency risk were discontinued during the year since the hedged forecast transaction was not expected to occur.

50 Title deeds of the Immovable Properties pending for transfer as at 31 March 2022 are as are as follows:

S. No.	Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
1	Property, plant and equipment	Freehold Land at Birla Copper	-				
2	Investment Property	Freehold Land at Birla Copper	-	Indogulf Fertilizer & Chemicals Corporation Limited	No	Since FY 2002-03	The title deeds of which are held in the name of Indogulf Fertilizer & Chemicals Corporation Limited (erstwhile Company) which have subsequently been amalgamated with the Company
3	Investment Property	Building at Ahura Centre, Mumbai	7				
4	Property, plant and equipment	Freehold Land at Hirakud unit, Muri unit and Kolkata Branch	-				
5	Property, plant and equipment	Various Buildings at Mumbai, Delhi, Bangalore, Kolkata, Darjeeling,	10	Indian Aluminium Company Limited	No	Since FY 2004-05	The title deeds of which are held in the name of Indian Aluminium Company Limited (erstwhile Company) which have subsequently been amalgamated with the Company
6	Right of use Assets	Land at Hirakud unit and Kolkata Branch	-				
7	Property, plant and equipment	Freehold Land at Kuppam	1	SAPA Extrusion India Private Limited	No	Since FY 2021-22	The title deeds are held in the name of the SAPA Extrusion India Private Limited (erstwhile Company) which have subsequently been acquired by the Company. The Company is in process of registering the title deed of this land in its name.
8	Property, plant and equipment	Freehold Land at Mahan	4	Various Individual Landowners	No	Since FY 2013-14	Certain original land-related documents held in the name of original landowners were submitted to the bank that had financed the Mahan project. These original documents are required to be submitted to the land department in order to get the title deed registered in the name of the Company . The Company is awaiting receipt of these original land-related documents from the bank to initiate the process of transfer of the title of the land in favour of the Company.
9	Property, plant and equipment	Freehold Land at Kathotia Mines	27	Various Individual Landowners	No	Since FY 2018-19	Approval of the District collector is awaited which is a prerequisite as per the Chota Nagpur Tenancy Act, 1908 to transfer the title deed in the name of the company. The company is in the process of obtaining these approvals.

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Title deeds of the Immovable Properties pending for transfer as at 31 March 2021 are as are as follows:

S. No.	Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
1	Property, plant and equipment	Freehold Land at Birla Copper	-	Indogulf Fertilizer & Chemicals Corporation Limited	No	Since FY 2002-03	The title deeds of which are held in the name of Indogulf Fertilizer & Chemicals Corporation Limited (erstwhile Company) which have subsequently been amalgamated with the Company
2	Investment Property	Freehold Land at Birla Copper	-				
3	Investment Property	Building at Ahura Centre, Mumbai	7				
4	Property, plant and equipment	Freehold Land at Hirakud unit, Muri unit and Kolkata Branch	-	Indian Aluminium Company Limited	No	Since FY 2004-05	The title deeds of which are held in the name of Indian Aluminium Company Limited (erstwhile Company) which have subsequently been amalgamated with the Company
5	Property, plant and equipment	Various Buildings at Mumbai, Delhi, Bangalore, Kolkata, Darjeeling,	10				
6	Right of use Assets	Land at Hirakud unit and Kolkata Branch	-				
7	Property, plant and equipment	Freehold Land at Mahan	4	Various Individual	No	Since FY 2013-14	Certain original land-related documents held in the name of original landowners were submitted to the bank that had financed the Mahan project. These original documents are required to be submitted to the land department in order to get the title deed registered in the name of the Company. The Company is awaiting receipt of these original land-related documents from the bank to initiate the process of transfer of the title of the land in favour of the Company.
8	Property, plant and equipment	Freehold Land at Kathotia Mines	27	Various Individual	No	Since FY 2018-19	Approval of the District collector is awaited which is a prerequisite as per the Chota Nagpur Tenancy Act, 1908 to transfer the title deed in the name of the company. The company is in the process of obtaining these approvals.

51 Relationship with struck off companies

Disclosure related to relationship of the Company with a company which is Struck off under Section 248 of the Companies Act, 2013 or Section 530 of Companies Act, 1956 as at 31 March 2022 are as follows:

S. No.	Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding as at 31 March 2022	Balance outstanding as at 31 March 2021	Relationship with the Struck off company, if any, to be disclosed
1	Daga Nylomet Private Limited	Sale of Goods and Services	1	1	Not a related party
2	Gapscib Trading Private Limited	Sale of Goods and Services	2	2	Not a related party
Payables					
1	KNOP Trading Company Private Limited	Purchase of Goods and Services	-	-	Not a related party
2	Saturn Mining & Exploration Private Limited	Purchase of Goods and Services	-	-	Not a related party
3	Agngreen Pest Control Services Private Limited	Purchase of Goods and Services	-	-	Not a related party
4	Black Bird E-Solutions Private Limited	Purchase of Goods and Services	-	-	Not a related party
5	Singhal Bricks Private Limited	Purchase of Goods and Services	-	-	Not a related party
6	Sonebhadra Automobiles Private Limited	Purchase of Goods and Services	-	-	Not a related party
Other Outstanding balances					
1	Apple Insulated Wires Private Limited	Contract liability	-	-	Not a related party
2	Payal Synthetics Private Limited	Contract liability	-	-	Not a related party
3	Tecon Surface Coating & Engineering Private Limited	Contract liability	-	-	Not a related party

52. Gare Palma IV/4 (GP-4), Gare Palma IV/5 (GP-5) and Kathautia coal mines were acquired by the Company through auction conducted by the Nominated Authority (NA) constituted under the Ministry of Coal, Government of India. The Company was required to achieve certain efficiency parameters and reach their Peak Rated Capacity (PRC) during FY 2015-16. Performance security in the form of Performance Bank Guarantees (PBG) of ₹ 318 crore (for GP-4), ₹ 369 crore (for GP-5) and ₹ 267 crore (for Kathautia) were provided by the Company to NA in this regard.

Due to the various delays on the part of Government Authorities, PRC was achieved by the Company for GP-4 and GP-5 during FY 2016-17 and for Kathautia during FY 2017-18. Having satisfied itself about achievement of efficiency parameters/ PRC, NA returned the PBG in respect of GP-4 on June 19, 2017. However, in a volte face action, vide a letter dated 25th April, 2018, NA imposed a penalty equal to 20% of PBG amounting to ₹ 64 crore for GP-4, ₹ 74 crore for GP-5 and ₹ 118 crore for Kathautia (refer note 10). As the PBG for GP-5 and Kathautia was still with NA, it also appropriated an amount equal to the penalty from the PBG of the respective mines.

The above actions were contested by the Company. The Hon'ble Chhattisgarh High Court at Bilaspur has already given its judgment in favour of the Company in the matter related to GP-5. As per the judgment, Hon'ble High Court has asked NA to refund the amount appropriated by them and return the PBG to the Company. The NA has filed an appeal before the Hon'ble Supreme Court which has not been taken up for hearing yet. The Company's appeal to quash the demand raised by NA in case of GP-4 and Kathautia is yet to be decided and is pending before the Mines Tribunal at Bilaspur and Ranchi respectively.

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53. Acquisition of Kuppam unit of SAPA Extrusions India Private Limited (considered as Business Combination)

Refer Note 1A (AA) for accounting policy on Business Combination

On February 1, 2022, Hindalco has completed acquisition of Extrusion business of SAPA Extrusion India Private Limited, a manufacturer of high end extrusion products, pursuant to a Business Transfer Agreement (BTA) dated December 17, 2021. The Kuppam facility's specialised product portfolio will enhance the Company's capabilities in high-end extrusions.

Details of purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in Crore)

Total amount paid	265
Total purchase consideration as per Ind AS 103	**265**

The Purchase Price Allocations (PPA) were made to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill.

The assets and liabilities recognised as a result of the acquisition as at March 31, 2022 are as follows:

(₹ in Crore)

Net Assets acquired	Amount as at 31/03/2022
Property Plant and Equipment (including CWIP)	133
Intangible assets	23
Inventories	60
Trade Receivables	43
Other Assets	39
Total Assets - (A)	**298**
Trade Payables	29
Provisions	4
Other Liabilities	4
Liabilities - (B)	**37**
Net identifiable assets acquired (A-B)	**261**
Calculation of goodwill	
Consideration transferred	265
Less: Net identifiable assets acquired	(261)
Goodwill	**4**

The above fair values of assets acquired and liabilities assumed are final as of March 31, 2022. The fair values of the assets acquired and liabilities assumed were determined using the income and cost approach. In many cases, the determination of the fair values required estimates about discount rates, future expected cash flows and other future events that are judgmental and subject to change. The fair value measurements are primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement of the fair value hierarchy as defined in Ind AS 113, Fair Value Measurements ("Ind AS 113"). Intangible assets consists of Customer Relationships valued using 'With and Without/ incremental Cash flow method' and Technical Know How are valued using the 'Relief From Royalty method'. A cost and market approach has been applied, as appropriate, for Property, Plant and Equipment.

Revenue and profit contribution

Since the acquisition date, Extrusion Business operations included in the Financial Statements for the year ended March 31, 2022 comprises of Revenue of ₹ 66 crore and Net Profit before tax of ₹ 5 crore.

The following supplemental pro forma financial information presents the Company results of operations as of March 31, 2022 as if the acquisition of Extrusion business had occurred on April 1, 2021.

(₹ in Crore)

	Year ended 31/03/2022
Revenue from Operations	67,988
Profit for the year	5,531

The pro forma financial information reflects pro forma adjustments to present the combined pro forma results of operations as if the acquisition had occurred on April 1, 2021 to give effect to certain events the Company believes to be directly attributable to the acquisition. These pro forma adjustments primarily include:

a) the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2021, together with the consequential tax effects.

b) acquisition-related transaction costs and other one-time costs directly attributable to the acquisition reflected as if they occurred at the beginning of the annual reporting period.

(₹ in Crore)

Purchase consideration - cash outflow	Year ended 31/03/2022
Outflow of cash required to acquire Extrusion Business	265

Acquisition-related costs

Acquisition-related costs of ₹ 6 crore that were not directly attributable to the acquisition are included in Other Expenses in the Statement of Profit and Loss and in operating cash flows in the statement of cash flows.

54 Financials Ratio Analysis:

Particulars	Times/ %	Note	As at 31/03/2022	As at 31/03/2021	Change in %
(a) Current Ratio	Times		1.75	1.52	15.16%
(b) Debt-Equity Ratio	Times		0.36	0.40	-11.74%
(c) Debt Service Coverage Ratio	Times	(i)	7.83	3.17	147.06%
(d) Return on Equity Ratio	%	(ii)	11%	2%	407.19%
(e) Inventory turnover ratio	Times		3.66	3.14	16.73%
(f) Trade Receivables turnover ratio	Times	(iii)	31.67	23.11	37.01%
(g) Trade payables turnover ratio	Times		5.60	5.15	8.91%
(h) Net capital turnover ratio	Times		4.08	4.45	-8.41%
(i) Net profit ratio	%	(iv)	8%	2%	250.05%
(j) Return on Capital employed	%	(v)	13%	4%	205.65%
(k) Return on investment	%	(vi)	11%	4%	191.55%

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Description of ratios:

(a) Current Ratio: Current Assets/Current Liabilities excluding Current Maturities of Long term Borrowings

(b) Debt-Equity Ratio: (Borrowings + Lease Liabilities)/ Total Equity

(c) Debt Service Coverage Ratio: Profit before Depreciation, Amortisation, Impairment Loss on Non-Current Assets, Finance Cost and Tax)/ (Finance Cost (net of capitalization) + Scheduled Principal Repayment (Excluding Prepayment))

(d) Return on Equity Ratio: Profit after tax/ Average shareholder equity

(e) Inventory turnover ratio: Revenue from Operations/Average Inventory

(f) Trade Receivables turnover ratio: Revenue from Operations /Average Trade Receivable

(g) Trade payables turnover ratio: Purchases of Raw Material and traded purchases/ Average Trade Payable related to Raw Material and traded purchases

(h) Net capital turnover ratio: Revenue from Operations/ Working Capital excluding Current Maturities of Long term Borrowings

(i) Net profit ratio: Profit after tax/ Revenue from Operations

(j) Return on Capital employed: Earnings before interest and taxes/ Capital Employed (Tangible Net worth + Total Debt + Deferred Tax liability)

(k) Return on investment: Earnings before interest and tax/ Average total assets

Clarification for changes

(i) Ratio improved majorly due to increase in profit on account of higher revenue from operation in the current year.

(ii) Increase in this ratio is mainly on account of increase in net profit available to equity shareholders in the current year.

(iii) Increase in this ratio is mainly on account of higher revenue from operations during the year.

(iv) Net profit ratio has improved mainly on account of increase in profits due to higher margins contributed by increase in volume and higher realization on sales.

(v) Ratio improved majorly due to majorly due to increase in net profit during the year.

(vi) Increase in this ratio is mainly on account of increase in earnings before interest and tax majorly due to increase in volume and higher realization on sales.

55 The following entities are consolidated in Standalone Financial Statements:

Name of the Entity	Relationship	% of Holding	Country of Incorporation
Mahan Coal Limited	Joint Control Operation *	50%	India
Tubed Coal Mines Limited	Joint Control Operation *	60%	India
Trident Trust	Trust controlled by the Company	#	India
Hindalco Employee Welfare Trust	Trust controlled by the Company	#	India

Treasury Shares are held in Trusts whose sole beneficiary is Hindalco Industries Limited, refer note 16 for further details.

* The proportionate share of total assets and total comprehensive income in the above joint operations are consolidated in standalone financial statements.

56 Additional Information

A. As per Section135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social Responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

i) Gross amount required to be spent by the company during the year is ₹ 24 crore.

ii) Amount spent during the year

(₹ in Crore)

Particulars	31/03/2022	31/03/2021
a) Construction/ acquisition of any asset^	-	1
b) On purposes other than (a) above	38	39
Total	38	40

^ Assets are not in the books of the Company

iii) Details of excess amount spent under Section 135(5) of the Companies Act, 2013

(₹ in Crore)

Particulars	31/03/2022	31/03/2021
Opening Balance excess spent	12	-
Amount required to be spent during the year	24	27
Amount spent during the year	38	40
CSR expenses claimed in Current year	26	28
Closing Balance excess spent	24	12

iv) The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects.

v) The contribution to a trust controlled by the company in relation to CSR expenditure is Hindalco Jan Seva Trust amounting to ₹ 1 crore (year ended 31/03/2021 ₹ 6 crore).

vi) There is no provision made with respect to a liability incurred by entering into a contractual obligation during the current year.

B. Details of loans given, investment made and guarantee given covered under section 186(4) of the Companies Act, 2013:

i. Details of investments made have been given as part of Note '5' Investments in Subsidiary, Note '6' Investments in Associates and Joint Ventures and Note '7A and 7B' Other Investments.

ii. Loans and Financial Guarantees given below:

(₹ in Crore)

Name of the Company	Relationship	Nature of Transaction	As at 31/03/2022	As at 31/03/2021
Details of Loans				
Aditya Birla Science and Technology Company Private Limited	Associate	Loan	36	41
Suvas Holding Limited	Subsidiary	Loan	5	8
Birla Copper Asoj Private Limited (formerly known as Ryker Base Private Limited)	Subsidiary	Loan	164	-
Details of Guarantee				
Dahej Harbour and Infrastructure Limited	Subsidiary	Performance Guarantee	5	5

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iii. Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below:

(₹ in Crore)

Name of the Company	As at 31/03/2022	Maximum outstanding during FY 2021-22	As at 31/03/2021	Maximum outstanding during FY 2020-21
Associate:				
Aditya Birla Science and Technology Company Private Limited	36	41	41	46
Subsidiaries:				
Suvas Holding Limited	5	8	8	9
Birla Copper Asoj Private Limited (formerly known as Ryker Base Private Limited)	164	200	-	-

C. Additional disclosures required under Schedule III are as follows:

i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) Hindalco Industries limited have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii) Hindalco Industries Limited has complied with the number of layers prescribed under the Companies Act, 2013.

iv) There is no undisclosed income under the Income Tax Act, 1961 for the year ending 31st March 2022 and 31st March 2021 which needs to be recorded in the books of account.

v) Hindalco Industries Limited has not traded or invested in crypto currency or virtual currency during the current or previous year.

vi) The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

vii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

viii) **Utilisation of borrowed funds and share premium.**

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) orb. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) orb. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

ix) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

x) The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts except incase of quarter ended March 31, 2022 where the Company has filed provisional statement with the bank and the final statement will be submitted to the bank after finalization of the audited financial statements.

57. During the financial year ended March 31, 2022, the Company has reclassified following comparatives. These reclassifications are primarily to conform to the current years classification, which do not have material impact on the Standalone Financial Statements.

(₹ in Crore)

	Note No.	Note Description	Previously	Revised Amount	Change
a)	Balance Sheet				
	21B	Other financial liabilities (current)	1,402	937	(465)
	18B	Current borrowings	4,290	4,755	465
b)	Statement of Profit and Loss				
	28	Cost of Materials Consumed	27,324	27,178	(146)
	37	Other Expenses	4,361	4,507	146

For and on behalf of the Board of **Hindalco Industries Limited**

As per our report annexed

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Praveen Kumar Maheshwari
Whole-time Director &
Chief Financial Officer
DIN-00174361

Satish Pai
Managing Director
DIN-06646758

Sarah George
Partner
Membership No. 045255

Anil Malik
Company Secretary

K N Bhandari
Director
DIN No.: 00026078

Place : Mumbai
Dated : May 26, 2022

Independent Assurance Statement on Integrated Report

Ernst & Young Associates LLP
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Off. Western Express Highway
Goregaon (E), Mumbai - 400 063, India

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ey.com

Building a better working world

The Management and Board of Directors
Hindalco Industries Limited,
Mumbai, India

Scope
Ernst & Young Associates LLP (EYA LLP) have been engaged by Hindalco Industries Limited to perform a 'Type 1 Moderate' level of assurance, as defined by AccountAbility Assurance Standard (AA1000 AS v3) and Limited Assurance, as defined by International Standards on Assurance Engagements (ISAE 3000), hereafter referred to as the engagement, for Hindalco Industries Limited's Sustainability data in Integrated Report FY22, prepared as per the <IR> Integrated Reporting Framework by International Integrated Reporting Council (IIRC) , (the "Subject Matter") for the period from 01st April 2021 to 31st March 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Hindalco Industries Limited
In preparing the Integrated Report FY 22, Hindalco Industries Limited applied, the <IR> Integrated Reporting Framework by International Integrated Reporting Council (IIRC) and Global Reporting Initiative (GRI) 2021 Standards, specifically designed for Integrated Report FY22; As a result, the subject matter information may not be suitable for another purpose.

Hindalco Industries Limited's Responsibilities
Hindalco Industries Limited management is responsible for selecting the Criteria, and for presenting the due to fraud or error.

EY's Responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and third edition of AccountAbility's AA1000 Assurance Standard (AA1000 AS v3). The terms of reference for this engagement as agreed with Hindalco Industries Limited on 20th March 2020. Those standards require that we plan and perform our engagement to obtain 'Type 1, Moderate' level of assurance (as per AA1000 AS v3) whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the sustainability report and related information and applying analytical and other appropriate procedures

Our procedures included:

- Conducted interviews with select personnel at manufacturing units and corporate teams to understand the process for collecting, collating and reporting the subject matter as per Global Reporting Initiative (GRI) Standards;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Undertook analytical review procedures to support the reasonableness of the data
- Verification of sample data and related information through virtual consultations with site team and, desk reviews of the following locations:
  - Aditya Aluminum
  - Bagru mine cluster (Bagru, Bhusar, Hisri old and Hisri new)
  - Muri works
  - Taloja Unit
  - Birla Copper
- Review of data on sample basis, of the entities listed above pertaining to the following specific disclosures of the GRI Standards:
  - General Disclosures (102-1 to 102-56)
  - Environmental Indicators: Materials (301-1, 301-2), Energy (302-1, 302-3, 302-4), Water and Effluents (303-1, 303-2, 303-3, 303-4, 303-5), Biodiversity (304-1, 304-2, 304-3, 304-4), Emissions (305-1, 305-2, 305-4, 305-5, 305-6, 305-7), Waste (306-1, 306-2, 306-3, 306-4, 306-5), Supplier Environmental Assessment (308-1)
  - Social Indicators: Employment (401-1, 401-2, 401-3), Labor/Management Relations (402-1), Occupational Health and Safety (403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10), Training and Education (404-1, 404-2, 404-3), Diversity and Equal

Independent Assurance Statement on Integrated Report

Opportunity (405-1, 405-2), Non-discrimination (406-1), Freedom of Association and Collective Bargaining (407-1), Child Labor (408-1), Forced or Compulsory Labor (409-1), Security Practices (410-1), Human Rights Assessment (412-1, 412-2), Local Communities (413-1), Supplier Social Assessment (414-1), Customer Health and Safety (416-1), Marketing and Labeling (417-1)

- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed.
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of reporting.
- Review of the Company's approach towards materiality assessment disclosed in the Report to identify relevant issues
- Review of select qualitative statements in various sections of the Integrated Report FY22

We also performed such other procedures as we considered necessary in the circumstances

Emphasis of matter
The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2021 to 31st March 2022)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Annual Report, Integrated Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters

Our Conclusion
On the basis of our review scope and methodology to obtain 'Type 1, Moderate' level of assurance (as per AA1000 AS v3) our conclusions are as follows:

- **Inclusivity:** The Company has described its stakeholder engagement approach and activities in the Report. We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with the key stakeholder groups identified in the Report.
- **Materiality:** The Company has identified key issues material to its ability to create value and has described the process for materiality analysis in the Report. Nothing has come to our attention that causes us to believe that material issues so identified have been excluded from the Report by the Company.
- **Responsiveness:** We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle in its engagement with stakeholders identified in the Report on material aspects covering its sustainability performance.
- **Impact:** As per the information provided to us, we are not aware of any matter that would lead us to conclude that the criteria related to the impact principle has not been applied for the key stakeholders.

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Integrated Report FY 22 for the period from 01st April 2021 to 31st March 2022, in order for it to be in accordance with the <IR> Integrated Reporting Framework of International Integrated Reporting Council (IIRC) and GRI 2021 Standards.

Restricted use

- This report is intended solely for the information and use of Hindalco Industries Limited and is not intended to be and should not be used by anyone other than Hindalco Industries Limited.

For Ernst & Young Associates LLP

By: ____________________

Chaitanya Kalia
Engagement Partner
27th July 2022
Mumbai, India

AA1000
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