Novelis Aluminium Holding Unlimited Company

Directors' Report and Financial Statements

For the financial year ended 31 March 2021

Registered Number: 316911

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DIRECTORS AND OTHER INFORMATION

Board of Directors

Eric Tonkowski	(German)
Andrea Lissoni	(Italian)
Sabine Trautwein	(German)

Secretary

Goodbody Secretarial Limited
25/28 North Wall Quay
IFSC
Dublin 1

Registered Office

Novelis Aluminium Holding Unlimited Company
c/o Goodbody Secretarial Limited
25/28 North Wall Quay
IFSC
Dublin 1

Registered Number: 316911

Solicitor

A & L Goodbody Solicitors
25/28 North Wall Quay
IFSC
Dublin 1

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Bank Place
Limerick
Ireland

DIRECTORS' REPORT

The directors submit their report and financial statements of Novelis Aluminium Holding Unlimited Company (the "Company") for the year ended 31 March 2021.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland)*.

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Hannoversche Str. 1, 37075 Göttingen, Germany.

Principal activities

The principal activity of the company is that of an investment company. The company owns 100% of the issued share capital of Novelis Deutschland GmbH, a significant German industrial company. The company is expected to continue its current activities going forward.

Details of its subsidiary undertakings are disclosed in Note 19.

Events since the end of the financial year

No events of note have taken place since the end of the financial year which affect the company's operations.

Research and Development

The company did not engage in any research and development activities during the financial year.

DIRECTORS' REPORT - continued

Business review

	€
The profit for the financial year amounted to	21,164,612

The results for the current financial year are driven by the financial results of the 100% subsidiary Novelis Deutschland GmbH and its 100% subsidiary, Novelis Sheet Ingot GmbH and Aleris Deutschland Holding GmbH. This company includes Aleris Rolled Products GmbH, Koblenz (ARP) and Aleris Casthouse Germany GmbH, Koblenz (ACG).

The performed of the company's subsidiaries are outlined below:

- The gain from the profit transfer arising in Novelis Deutschland GmbH in the financial year ended 31 March 2021 (€34.1 million) compared to financial year 2020 (€23.1 million) are attributed to a number of factors, the gross margin is higher due to lower operating costs and the amortization of undisclosed reserves due to a lower metal price during the year than in the previous year. The higher operating profit resulted mainly from lower selling and administrative expenses. The reduction in selling expenses is attributable to significantly lower freight costs of €9.0 million and lower packaging costs of €3.1 million.
- The financial result of Novelis Deutschland GmbH deteriorated by €0.5 million to €-33.0 million (previous year € - 32.5 million).The loss transfer of its 100% subsidiary Aleris Holding GmbH of €15 million is offset by a positive counter-effect due to the partial write-down of the financial asset Italy, which was not necessary in this FY (previous year €10.0 million), as well as a lower expense from the profit transfer of 100% subsidiary Novelis Sheet Ingot GmbH compared to the previous year. Contrary to the forecast from the previous fiscal year that operating EBITDA was expected to decline by €10 - 15 million, Novelis Deutschland GmbH achieved operating EBITDA of €142.7 million in the fiscal year (previous year: €146.6 million), thus exceeding the forecast of €105.6 million for the year. This was mainly due to higher sales volumes, particularly in the Can and Automotive businesses, and a take-or-pay clause at a major customer in the Automotive business, which made a positive contribution of €27.7 million to earnings.
- Novelis Sheet Ingot GmbH achieved improved earnings compared with the previous year. Although the production targets for ingot production were not achieved in FY21, the increase in the tolling price for aluminium ingots compared with the previous year had a positive impact on the results. Manufacturing costs were below target and lower than a previous year. This led to an improvement of €3.4 million to a negative result of €-0.8 million (previous year €-4.2 million) for Novelis Sheet Ingot GmbH.

The directors do not propose the payment of a dividend for 2021 (2020: nil).

Political contributions

There were no political contributions which require disclosure under the Electoral Act, 1997.

Future plans and developments

The directors have no plans at present to significantly change the activities of the company.

Going concern

The company meets its day-to-day working capital requirements through its cash pooling facilities with a group company. The current economic conditions continue to create uncertainty over (a) the level of demand for the products of the company's subsidiary; and (b) the availability of finance from the group for the foreseeable future. The company's forecasts and projections, taking account of reasonably possible changes in performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these entity financial statements have been prepared on a going concern basis.

DIRECTORS' REPORT - continued

Market Outlook for business of subsidiary companies

Novelis Deutschland GmbH generally expects volumes to return in FY22. The Can market in FY 21 showed resilience against the Corona crisis. We expect the Can market to further stable in Europe with a growth of 3%-5% with a shift towards beverage cans. The public discussion about sustainability supports the behavior of consumers in this direction. In addition, the European Can industry react on this trend to further convert steel lines to aluminum lines incl. further investments in additional capacities. Therefore, we expect slight increase overall for the business, but with customer mix changes as volumes increase with Ball & CBS pricing improves in line with contracts.

In the last 12 months a number of projects have been started which are important volume drivers for NE and the GmbH. We would like to mention the Porsche Taycan, Land Rover Defender and the new S-class from Mercedes. In addition, we will be supplier for the 3rd generation of the Nissan Qashqai and is going to be starting at the first quarter of FY22. Our Auto volumes will return on FY20 levels (214 kt FY22 vs 201 kt FY20). Auto pricing is impacted by continued shift towards coil and over-capacity in the market. JLR will show reduced freight adders for more material to mainland Europe vs UK (freight reduces accordingly). Overall, Auto absolute Conversion Premium (CP / revenues minus material) is expected on FY20 level.
Specialties to 3rd party customers has been resilient to the crisis in FY21 benefiting from renovation activity with record demand from key customers on roofing & roller-shutter activity as well on coil supplies for coffee capsules. We are is able to keep CP stable with strategic shifts for more recycling friendly alloys & higher anodized quality material. Here we see higher demand form the French and UK market. Now CP increases are possible in this segment.

The Covid-19 pandemic will have further impact on our aerospace sales markets of our new investment in Aleris Deutschland Holding GmbH. We continue to expect lower sales compared to previous years and therefore initiated a restructuring in this area to partially compensate for the negative effects. We do not expect a recovery to the level of previous years for 2-3 years.

Management Statement

Novelis has a solid position in terms of cash supported by a launch of Green Bonds with lower interest rates through SIG where the Novelis Aluminum Holding Unlimited strongly participate. At the end of March the overdues for Novelis Europe were at record low level. This makes us confident that our customers are able to settle their financial obligations. Ongoing cost management and monitoring, incl. extension of our recycling activities with underlying metal benefits, will further support the continuous healthy growth of our business.

Novelis Europe generally expects volumes to return in FY22, with the exception of Aerospace. Can will remain stable overall, but with customer mix changes as volumes increase with Ball & CBS pricing improves in line with contracts. Auto volumes will return to FY20 levels (256 kt) on high run-rates compared to Q4 FY21. Auto pricing is impacted by continued shift towards coil, & over-capacity in the market.

Principal risks and uncertainties

The risks of the company are closely aligned with those of its subsidiary, Novelis Deutschland GmbH, from which it derives its main operating result.

The risks of Novelis Deutschland GmbH result primarily from procurement market developments, in particular the markets for metal procurement and transportation. In addition, there may be risks arising from currency movements and specific customer risks, for example the loss of sales volumes. Increases in raw material price should be passed onto customers via the sales prices. Price risks are eliminated either by provision of aluminium by the customers or in case of own raw material purchases reduced to an acceptable risk via extensive coordination of LME-price (London-Metal-Exchange-price) basis of purchase and sale prices.

For the year 2021 we see the global economic momentum at around 5.8 % with an increase of 5.6 % for the euro zone (Germany 4.5 %), 4.0 % for the USA and as much as 9.5 % for China (source: Deutsche Bank Research, Outlook 2021).

DIRECTORS' REPORT - continued

Directors
The names of the persons who were directors at any time during the year ended 31 March 2021 are set out below. Except where indicated, they served for the entire year.

Eric Tonkowski	(German)
Andrea Lissoni	(Italian)
Sabine Trautwein	(German)

Statutory auditors
The statutory auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

Directors' and secretary's interests
The directors and secretary in office at 31 March 2021 had no beneficial interests, including family interests, in the share capital of the Company or any group undertaking at 31 March 2020 and at 31 March 2021.

No director or secretary had at any time during the year a material interest in any contract of significance in relation to the company business.

Statement of disclosure of information to the Company's Statutory Auditors
Each of the directors in office at the date of the approval of the directors' report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- The directors have taken all the steps that he or she ought to have as a director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

Eric Tonkowski
Director

Sabine Trautwein
Director

10. May 2021
Date of board meeting

Independent auditors' report to the members of Novelis Aluminium Holding Unlimited Company

Report on the audit of the financial statements

Opinion

In our opinion, Novelis Aluminium Holding Unlimited Company's financial statements:

- give a true and fair view of the company's assets, liabilities and financial position as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Directors' Report and Financial Statements, which comprise:

- the Balance Sheet as at 31 March 2021;
- the Profit and Loss Account and Statement of Other Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Directors' Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs (Ireland) 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 financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Maria O'Connell

Maria O'Connell
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Limerick
11 May 2021

PROFIT AND LOSS ACCOUNT
For the financial year ended 31 March 2021

	Notes	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Administrative expenses	4	(2,961,087)	(2,688,353)
Other operating expenses		(415,475)	(124,615)
Other operating income	5	37,725,717	25,917,112
Operating profit	6	34,349,155	23,104,144
Interest income	7	5,644,167	6,100,000
Interest expense	8	(31,482,311)	(30,025,672)
Profit/(loss) before taxation		8,511,011	(821,528)
Taxation	9	12,653,601	(14,405,872)
Profit/(loss) for the financial year		21,164,612	(15,227,400)

The notes on pages 14 to 32 form part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2021

	Notes	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Profit/(loss) for the year		21,164,612	(15,227,400)
Actuarial gain/(loss) in respect of pension scheme	16	172,980	(495,296)
Deferred tax on actuarial (gain)/loss	13	(44,521)	155,368
Total comprehensive income/expense for the year		21,293,071	(15,567,328)

BALANCE SHEET
As at 31 March 2021

	Notes	31 March 2021 €	31 March 2020 €
Fixed assets			
Tangible assets	10	-	106
Financial assets	11	931,540,449	711,540,449
		931,540,449	711,540,555
Current assets			
Debtors and prepayments (2020: € 93,000,000 due after 1 year)	12	51,294,832	134,569,462
Deferred tax asset	13	36,934,990	17,808,337
		88,229,822	152,377,799
Creditors - amounts falling due within one year	14	(55,009,351)	(110,044,246)
Net current assets		33,220,471	42,333,553
Total assets less current liabilities		964,760,920	753,874,108
Creditors - amounts falling due after more than one year	15	(660,914,161)	(470,990,420)
Pension liability	16	(6,504,000)	(6,834,000)
Net assets		297,342,759	276,049,688
Shareholders' funds			
Called up share capital – presented as equity	17	3,000,000	3,000,000
Capital contribution	18	214,096,576	214,096,576
Profit and loss account		80,246,183	58,953,112
		297,342,759	276,049,688

The notes on pages 14 to 32 form part of these financial statements.

On behalf of the Board

Eric Tonkowski
Director

Sabine Trautwein
Director

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2021

	Note	Called up share capital	Capital contribution	Profit and loss account	Total
		€	€	€	€
Balance at 1 April 2019	**17**	**3,000,000**	**214,096,576**	**74,520,440**	**291,617,016**
Loss for the year		-	-	(15,227,400)	(15,227,400)
Other comprehensive income		-	-	(339,928)	(339,928)
Total comprehensive expense for the year		*-*	*-*	*(15,567,328)*	*(15,567,328)*
Balance as at 31 March 2020		**3,000,000**	**214,096,576**	**58,953,112**	**276,049,688**
Balance at 1 April 2020		**3,000,000**	**214,096,576**	**58,953,112**	**276,049,688**
Profit for the year		-	-	21,164,612	21,164,612
Other comprehensive expense		-	-	128,459	128,459
Total comprehensive income for the year		*-*	*-*	*21,293,071*	*21,293,071*
Balance as at 31 March 2021		**3,000,000**	**214,096,576**	**80,246,183**	**297,342,759**

NOTES TO THE FINANCIAL STATEMENTS -continued

1 General information

The principal activity of Novelis Aluminium Holding Unlimited Company ('the company') is that of an investment company. The company owns 100% of the issued share capital of Novelis Deutschland GmbH, a company registered in Germany.

Novelis Aluminium Holding Unlimited Company is incorporated as an unlimited company in the Republic of Ireland under the registered number 316911. The address of its registered office is Good body Secretarial Limited, 25/28 North Wall Quay, IFSC, Dublin 1.

The immediate parent companies are the Novelis Europe Holdings Limited, Latchford Locks Works, Thelwell Lane, Warrington, Cheshire, United Kingdom, WA4 1NN with 647,590,006 shares and the Novelis UK ltd., Latchford Locks Works with 1 share. The ultimate parent company and controlling party of the Company at the balance sheet date was Hindalco Industries Ltd, a company incorporated in India. Hindalco Industries Ltd was also the parent company of the largest group in which Novelis Aluminium Holding Unlimited Company is included. Novelis Inc., Toronto, Canada is the smallest group in which the company is included. Copies of the financial statements of Hindalco Industries Ltd can be obtained from its registered office at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030, India. Copies of the financial statements are received by the registered office of each parent and also via www.hindalco.com or rather www.novelis.com.

As Novelis Aluminium Holding Unlimited Company is included in consolidated accounts of Hindalco Industries Ltd it is exempt, by virtue of Section 300 of the Companies Act 2014, from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements for the financial year beginning 1 April 2020 and ending 31 March 2021.

2 Significant accounting policies

The significant accounting policies adopted by the company are as follows:

Basis of preparation

These financial statements have been prepared on the going concern basis and in accordance with the Companies Act, 2014, and Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

The entity financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 3.

Statement of compliance

The entity financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014.

NOTES TO THE FINANCIAL STATEMENTS -continued

Going concern

The company meets its day-to-day working capital requirements through its cash pooling facilities with a group company. The current economic conditions continue to create uncertainty over (a) the level of demand for the products of the company's subsidiary; and (b) the availability of finance from the group for the foreseeable future. The company's forecasts and projections, taking account of reasonably possible changes in performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, these entity financial statements have been prepared on a going concern basis.

Disclosure exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company is a qualifying entity and has taken advantage of the following available exemptions:

- Exemption from the requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows.
- Exemption from the financial instrument disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS 102.
- Exemption from the requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.
- Exemption in Section 33 of FRS 102 from the requirement to disclose related party transactions with its parent and wholly owned subsidiaries of the parent group.

Tangible assets

Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Office Equipment and software

Office equipment and software is carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation and residual values

Depreciation on other assets is calculated, using the straight-line method over their estimated useful lives, as follows:

Office equipment	5-10 years
Software	3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(iii) Subsequent additions and major components

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS -continued

(iv) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Financial assets

Financial assets are recorded at cost less provision for impairment in value, if any. Income/loss from financial assets relate to results of the German subsidiary, which are recognised on transfer to the Company under the profit and loss transfer agreement.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Impairment of non-financial assets

At the end of each financial year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash-generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value in use estimated cash flow before interest and are discounted using a pre-tax discount rate that represents the current risk-free market rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued. If the asset has been revalued the impairment loss is recognised in other comprehensive income to the extent of the revaluation gains accumulated in equity in respect of that asset. Thereafter any excess is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account, unless the asset is carried at a revalued amount.

Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS -continued

Trade and other debtors, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such financial assets are subsequently measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which result in fixed returns to the holder or are mandatorily redeemable on a specific date, are classified as financial liabilities. The dividends on these preference shares are recognised in profit or loss within 'interest payable and similar expenses.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS -continued

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade and other debtors

Trade and other debtors are measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a debtor measured at amortised cost is impaired an impairment loss is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

Creditors

Creditors includes trade creditors, accruals and amounts owed to group companies. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Interest Income

Interest income is recognised using the effective interest rate method.

Interest Expense

Interest expense is recognised using the effective interest rate method.

Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the euro, denominated by the symbol "€".

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable' or 'interest payable' as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within 'other expensing expenses'.

NOTES TO THE FINANCIAL STATEMENTS -continued

Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation, discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar expenses' in the financial year in which it arises

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Trade and corporation tax

Trade and corporation tax expense for the financial year comprises current and deferred tax recognised in the financial year. German trade tax is set by local authorities and can vary from municipality to the next. Trade and corporation tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the trade and corporation tax expense.

Current or deferred taxation assets and liabilities are not discounted.

Novelis Aluminium Holding Unlimited Company, Novelis Deutschland GmbH, Novelis Sheet Ingot GmbH, and in addition since 1 January 2021 Aleris Deutschland Holding GmbH, Aleris Rolled Products Germany GmbH and Aleris Casthouse Germany GmbH established a German fiscal unity. The stated German trade and corporation tax is the tax of the fiscal unity. The deferred tax rate is 30.25% (previous year: 30.1%).

(i) Current tax

Current tax is the amount of trade and corporation tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year. German corporate tax, trade tax and surcharge tax are provided based on the results for the year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and measured on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS -continued

(ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial year end and that are expected to apply to the reversal of the timing difference.

Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined benefit pension plan).

(i) Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service. The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(ii) Defined benefit plan

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a post-employment benefit other than a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of each financial year less the fair value of the plan assets at the same date.

The defined benefit obligation is calculated annually by an external actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Euro and that have terms approximating the estimated period of the future payments (‘discount rate’).

The fair value of plan assets out of which the obligations are to be settled is measured in accordance with the company’s accounting policy for financial assets. For most plan assets this is the quoted price in an active market. Where quoted prices are not available appropriate valuation techniques are used to estimate the fair value.

The cost of the defined benefit plan, recognised in profit or loss, except where included in the cost of an asset, comprises:

(a) the increase in net defined benefit liability arising from employee service during the financial year; and
(b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate (both as determined at the start of the financial year, taking account of any changes in the net defined benefit liability during the financial year as a result of contribution and benefit payments). This net interest cost is recognised in profit or loss as ‘finance expense’ and presented within ‘interest payable’.

NOTES TO THE FINANCIAL STATEMENTS -continued

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. These amounts together with the return on plan assets less the interest income on plan assets included in the net interest cost, are presented as 'actuarial loss in respect of pension scheme' in other comprehensive income.

Share capital presented as equity

Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity shareholders

Dividends on equity shares are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the company. Interim dividends declared by the directors are recognised when paid.

3 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgement in applying the entity's accounting policies

There are no judgements, apart from those involving estimates, that have been made by the directors which have had significant effect on the amounts recognised in the financial statements.

(b) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of Financial Assets

Investments are recorded at cost. If business conditions or changed circumstances indicate that asset values may be impaired, an impairment review is undertaken and impairment charges are recorded if the carrying value of the investment exceeds the higher of its realisable value and its value in use.

Having considered the impact of COVID-19 on the activities of the company's subsidiary Novelis Deutschland GmbH, the directors have determined that there was no impairment of financial assets in the current year (prior year: NIL)

(ii) Defined benefit pension scheme

Certain employees participate in a defined benefit pension plan. The calculation of the cost of these pension benefits and the present value of the defined benefit obligation incorporate a number of estimates and assumptions, including; life expectancy, salary increases, inflation and the discount rate on corporate bonds. The pension plan assets are measured at fair value at the end of each financial year. The assumptions and estimates used in calculating the cost for the financial year, the defined benefit obligation and the fair value of the plan assets at the end of each financial year reflect historical experience and current trends. See note 16 for the disclosures relating to the defined benefit pension plan.

NOTES TO THE FINANCIAL STATEMENTS -continued

4 Administrative expenses

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Wages and salaries	1,879,593	1,648,129
Social insurance costs	424,542	394,959
Other retirement benefit costs	54,088	46,794
Staff costs	2,358,223	2,089,882
Other administrative expenses	602,864	598,471
	2,961,087	2,688,353

Average number of persons employed by the company during the year was 18 (31 March 2020: 16).

5 Other operating income

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Profit from financial assets (Note 11)	34,144,040	23,074,669
Service fee income	2,650,861	2,333,616
Other income	930,816	508,827
	37,725,717	25,917,112

6 Operating profit

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Operating profit is stated after charging/(crediting):		
Depreciation	106	128
auditor remuneration	30,749	40,000
Foreign exchange loss/(gain)	55	(1,440)

7 Interest income

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Interest income on loans to group undertakings	5,644,167	6,100,000
Total interest income	5,644,167	6,100,000

NOTES TO THE FINANCIAL STATEMENTS -continued

8 Interest expense

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Interest expense on loans from group undertakings	31,089,389	29,639,039
Net interest expense on defined benefit pension plan	117,980	137,704
Interest accrued on taxation	274,942	248,929
Total interest expense	31,482,311	30,025,672

The interest on loans received from group undertakings, mainly consists of interest on the long term loan of €451,000,000 partially repaid (€270,827,397) on 31 March 2021 and interest on the long term loan of €60,000,000 (2020: €60,000,000 as short term) which falls due on 31 March 2023 (2020: 17 March 2021).

9 Taxation (credit)/charge

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
(a) Analysis of tax (credit)/charge in year		
Current tax:		
Irish corporation tax	-	-
German Trade and Corporation Tax on profit/(loss) for the year	(6,517,573)	(6,837,398)
Current tax charge for the financial year	(6,517,573)	(6,837,398)
Deferred tax:		
Origination and reversal of timing differences (Note 13)	19,171,174	(7,568,474)
Deferred tax credit/(charge) for the financial year	19,171,174	(7,568,474)
Total tax (credit)/charge for the financial year	12,653,601	(14,405,872)

The deferred (credit)/tax charge arises from:

Movement in pension balances	37,113	(23,023)
Tax losses carry forward used	(8,757,853)	(6,745,449)
Interest expense carried forward, unrecognized in prior years	28,534,810	-
Other	(642,896)	(800,002)
	19,171,174	(7,568,474)

For the year ended 31 March 2020 there was an unrecognised deferred tax asset of €29,836,280 in related to interest expenses carried forward that the company deemed not probable of being realised in the foreseeable future. During the year ended 31 March 2021, the group had an acquisition which enabled it to use €1,301,470 interest expense carried forward in the financial year. The remaining €28,534,810 can be utilised in the future.

NOTES TO THE FINANCIAL STATEMENTS -continued

9 Taxation (credit)/charge - continued

(b) Tax charge/(credit) income relating to items recognised in other comprehensive income

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Current tax	-	-
Deferred tax		
- Deferred tax credit on re-measurement of net defined benefit liability	44,521	(155,368)
	44,521	(155,368)

(c) Reconciliation of tax (credit)/charge

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Profit/(loss) on ordinary activities before taxation	**8,511,011**	**(821,528)**
Profit/(loss) on ordinary activities multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 March 2021 of 12.5% (2020: 12.5%)	1,063,876	(102,691)
Different statutory tax rate (30.25%, prior year 30.1%)	1,510,704	(144,589)
Uncertain tax positions	1,628,596	2,521,697
Expenses not deductible for tax purposes	13,038,275	13,856,862
Effect on consideration of DTA on interest carried forward and valuation allowance	(29,836,280)	(1,455,967)
Adjustment prior year taxes	(58,773)	(269,440)
Taxation (credit)/charge for the financial year	**(12,653,601)**	**14,405,872**

NOTES TO THE FINANCIAL STATEMENTS -continued

10 Tangible assets

	Office Equipment €
Cost	
At 1 April 2020	16,521
At 31 March 2021	16,521
Accumulated depreciation	
At 1 April 2020	16,415
Charge for the year	106
At 31 March 2021	16,521
Net book amount	
At 31 March 2020	106
At 31 March 2021	-

11 Financial assets (Shares in group undertakings)

	Year ended 31 March 2021 €
At 1 April 2020	711,540,449
Additions	220,000,000
At 31 March 2021	931,540,449
Novelis Deutschland GmbH	931,540,449

For further information in relation to financial asset investment see disclosures in note 19.

The increase in financial assets results from a capital contribution to Novelis Deutschland GmbH in December 2020 of €220 million. In December 2020, Novelis Deutschland GmbH acquired Aleris Deutschland Holding GmbH at a price of €320.2 million. This acquisition was financed by a capital contribution of €220 million from Novelis Aluminium Holding Unlimited Company and €100.2 million from own funds of Novelis Deutschland GmbH.

In 2002, the company entered into a profit and loss transfer agreement with Novelis Deutschland GmbH, under which all profits or losses of Novelis Deutschland GmbH are transferred to the Company at the end of the fiscal year. Due to the integration of Aleris, the profit and loss transfer agreement was renewed as of 1 April 2021, until the amendment agreement takes effect, the existing control and profit and loss transfer agreement shall apply. The main renewal is the minimum term of 5 years. The agreement can only be terminated at the end of the fiscal year, subject to a notice period of six months, at the earliest however at the end of the minimum term of the agreement. The profit received under this agreement for the year ended 31 March 2021 was €34,144,040 (31 March 2020: profit of €23,074,669).

NOTES TO THE FINANCIAL STATEMENTS -continued

12 Debtors and prepayments

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Amounts owed by group companies	34,819,881	123,665,743
Corporation tax receivable	74,878	997,325
Trade tax receivable	140,228	883,643
Prepaid expenses	-	3,784
Other debtors	16,259,845	9,018,967
	51,294,832	134,569,462

Included in other debtors are amounts receivable in respect of VAT of €16,259,844 (31 March 2020: €8,978,723).

At 31 March 2020, the amounts owed by group companies included a Novelis Sheet Ingot GmbH loan of €93m. The terms associated with this loan were that it was repayable on 1 October 2023, was unsecured and carried a fixed interest rate of 6%. Following refinancing during the year this balance was fully repaid. All other amounts owed by group companies at 31 March 2020 and 2021 are unsecured, interest-free, have no fixed repayment date and are repayable on demand.

13 Deferred tax asset

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Property and equipment	766	975
Retirement benefits	767,664	775,071
Tax losses carried forward available for offset against future profits	9,757,330	17,479,658
Interest expense carried forward available for offset against future profits	28,534,810	-
Other	(2,125,580)	(447,367)
	36,934,990	17,808,337

For the year ended 31 March 2020 there was an unrecognised deferred tax asset of €29,836,280 in related to interest expenses carried forward that the company deemed not probable of being realised in the foreseeable future. During the year ended 31 March 2021, the group had an acquisition which enables the interest expense carried forward to be utilised in the future.

Movement in deferred taxes

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Deferred tax asset at 1 April	17,808,337	25,221,443
Credit/(charge) to profit and loss account	19,171,174	(7,568,474)
(Charge)/credit to other comprehensive income (Note 16)	(44,521)	155,368
Deferred tax asset at 31 March	36,934,990	17,808,337

NOTES TO THE FINANCIAL STATEMENTS -continued

14 Creditors – amounts falling due within one year

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Amounts owed to group companies - finance	34,050,917	99,484,695
Amounts owed to group companies - trade	17,384,897	9,077,447
Accruals	778,862	611,485
Trade creditors	33,693	37,557
Trade tax on income	1,356,475	382,387
Corporation tax	1,295,423	345,654
Other creditors	109,084	105,021
	55,009,351	110,044,246

All amounts owed to group companies are unsecured, interest free, have no fixed repayment date and repayable on demand.

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

15 Creditors – amounts falling due after more than one year

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Amounts owed to group companies	639,028,436	451,000,000
Other creditors	21,885,725	19,990,420
	660,914,161	470,990,420

The amounts owed to group companies at 31 March 2021 of €639,029,436 (prior year: €451 million) includes €60 million that is unsecured, is repayable on March 31, 2023 and carries an interest rate of 3%. The remaining €579,028,436 is also unsecured, is repayable on March 31, 2028 and bears interest at 3.375% (prior year: 6%).

Included in other creditors are amounts payable in respect of tax of €21,852,329 (31 March 2020: €19,951,285).

16 Pension liability

The company operates a defined benefit pension scheme with assets held in a separately administered fund. Pension liabilities are met out of the company's total resources. The contributions are determined by a qualified actuary on the basis of annual valuations using the projected unit credit method. The most recent valuation for funding purposes was carried out by a qualified independent actuary as at 31 March 2021 and is available for inspection by the scheme members but not for public inspection. The company has entered into reinsurance contracts to fund part of their pension liabilities. The value of the scheme assets at 31 March 2021 was €1,021,409 (31 March 2020: €1,309,583).

NOTES TO THE FINANCIAL STATEMENTS -continued

16 Pension liability - continued

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
The amounts recognised in the balance sheet are as follows:		
Present value of scheme liabilities	(7,525,409)	(8,143,583)
Fair value of scheme assets	1,021,409	1,309,583
Pension liability	(6,504,000)	(6,834,000)

The amounts recognised in the profit and loss account are as follows:		
Interest cost	133,695	152,246
Interest on scheme assets	(15,715)	(14,542)
Current service cost	20,000	17,000
	137,980	154,704

The amounts recognised in other comprehensive income are as follows:		
Experience gains/(losses) on liabilities	129,000	(531,000)
Actual return on assets less interest income	43,980	35,704
Change in assumptions underlying the present value of scheme liabilities	-	-
Actuarial gains/(losses) recognised in other comprehensive income	172,980	(495,296)
Related deferred tax (charge)/credit	(44,521)	155,368
	128,459	(339,928)

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 March 2021 is €3,278,126 (31 March 2020: loss of €3,451,106). The related deferred tax credit is €1,005,436 (31 March 2020: credit of €1,049,957).

The actual return on plan assets was:

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Actual return on plan assets	59,695	50,246

Expected contributions for the financial year ending 31 March 2022 are € 337,000.

NOTES TO THE FINANCIAL STATEMENTS -continued

16 Pension liability - continued

Movement in scheme assets and liabilities:

	Scheme assets	Scheme liabilities	Pension liability
	€	€	€
At 1 April 2019	**1,321,993**	**(7,797,993)**	**(6,476,000)**
Transfer in / (out)	-	-	-
Current Service Cost	-	(17,000)	(17,000)
Interest on scheme liability	-	(152,246)	(152,246)
Interest on scheme assets	14,542	-	14,542
Return on plan assets	35,704	-	35,704
Experience losses on liabilities	-	(531,000)	(531,000)
Change in assumptions	-	-	-
Benefits paid	-62,656	354,656	292,000
Employer Contributions paid	-	-	-
At 31 March 2020	**1,309,583**	**(8,143,583)**	**(6,834,000)**
At 1 April 2020	**1,309,583**	**(8,143,583)**	**(6,834,000)**
Transfer in / (out)	-	-	-
Current Service Cost	-	(20,000)	(20,000)
Interest on scheme liability	-	(133,695)	(133,695)
Interest on scheme assets	15,715	-	15,715
Return on plan assets	43,980	-	43,980
Experience gains /(losses) on liabilities	-	129,000	129,000
Change in assumptions	-	-	-
Benefits paid	-347,869	642,869	295,000
Employer Contributions paid	-	-	-
At 31 March 2021	**1,021,409**	**(7,525,409)**	**(6,504,000)**

All of the scheme liabilities above arise from schemes that are wholly or partly funded.

Amounts for the current and previous two years:

	31 March 2021 €	31 March 2020 €	31 March 2019 €
Scheme`s liabilities	(7,525,409)	(8,143,583)	(7,797,993)
Scheme`s assets	1,021,409	1,309,583	1,321,993
Deficit	(6,504,000)	(6,834,000)	(6,476,000)
Experience adjustment on liabilities	129,000	(531,000)	(563,000)
% of liabilities	-1,71%	6,52%	7,22%
Experience adjustment on assets	-	-	-
% of assets	-	-	-

NOTES TO THE FINANCIAL STATEMENTS -continued

16 Pension liability - continued

The principal actuarial assumptions at the balance sheet date:	31 March 2021 %	31 March 2020 %
Discount rate	1.20	1.10
Future salary increases	2.75	2.75
Future pension increases	1.75	1.75
Future inflation rate	1.75	1.75

Assumptions regarding future mortality are set based on advice from published statistics and experience.

The mortality assumptions are based on standard mortality tables which allow for improvements in future mortality assumptions.

Longevity at 65 for current pensioners:	31 March 2021 Years	31 March 2020 Years
Male	20.3	20.3
Female	23.8	23.8
Longevity at 65 for members retiring in 2041:		
Male	23.1	23.1
Female	26.0	26.0

17 Share capital and reserves

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Authorised:		
889,947,424 ordinary shares of € 0.2362605946 each	210,259,508	210,259,508
Issued and fully paid:		
647,590,007 ordinary shares of € 0.0046325607 each	3,000,000	3,000,000

There is a single class of equity share. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years less dividends paid (if any).

NOTES TO THE FINANCIAL STATEMENTS -continued

Profit and loss account	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Profit brought forward	58,953,112	74,520,440
Profit/(loss) for the financial year	21,164,612	(15,227,400)
Other comprehensive income for the financial year	128,459	(339,928)
Profit and loss account at 31 March	80,246,183	58,953,112

18 Capital contribution

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
Capital contribution from parent	214,096,576	214,096,576

19 Subsidiaries

Name	Principal activity	% ownership	Registered office
Novelis Deutschland GmbH	Aluminium and packaging trading company	100%	Hannoversche Str 1 37075 Göttingen, Germany

Novelis Deutschland GmbH profit and loss and balance sheet are included in the consolidated accounts of Novelis Inc. which are publicly available (Note 1).

20 Guarantees and contingent liabilities

After partial repayment, US$648 million of the existing US$1,800 million term loans remain outstanding at the end of financial year 2021. US$775 of term loans were borrowed in April 2020 to finance a portion of the consideration for the acquisition of Aleris and after partial repayment, US$767 million remain outstanding at the end of financial 2021. US$480 million of new term loans were issued to refinance a portion of the existing term loans. Of all term loan facilities of US$3,055 million an aggregate of US$ 1,895 million of term loans were outstanding at the end of financial year 2021.

Of existing US$1,500 million Asset Based Revolving Credit Facility US$434 million has been drawn at the end of fiscal year 2021.

The US$1,100 million bridge loan which took effect with the purchase of Aleris was granted in fiscal 2020/21 and has already been repaid in full.

In March 2021, further corporate bonds were issued in the amount of €500 million (equivalent to US $588 million), which was partly used to repay existing term loans.

Including the US$1,500 million (issued in September 2016) and US$ 1,600 million (issued in January 2020), an aggregate of US$ 3,688 million of corporate bonds were outstanding at the end of financial 2021.

NOTES TO THE FINANCIAL STATEMENTS -continued

The refinancing described above did not change the contingencies.

The profit and loss transfer agreement between Novelis Deutschland GmbH and Novelis Aluminium Holding Unlimited Company must stay in place.

The company pledged all bank accounts in favour of the secured party.
The company is obliged not to create mortgages on land and similar property rights. Mortgages in favour of the secured party have not been created.

The company assigned all intellectual property rights by way of security to the secured party.
In the ordinary course of business, the security provider has extensive disposition rights.
Due to the guarantees and securities given, the company is exposed to potential claims. However, at the date of the preparation of the financial statements, no claims have been made and management does not expect claims in the future, given that the relevant company's expected liquidity has a high likelihood to provide sufficient funds to fulfil the agreement in time.

21 Directors remuneration

The following table details the aggregate remuneration for the Directors of this company:

	Year ended 31 March 2021 €	Year ended 31 March 2020 €
For services as directors	19,000	17,000
For other services	-	-
	19,000	17,000

22 Related party transactions

The company is exempt from disclosing related party transactions as they are with other group companies that are wholly owned within the group.

23 Events after the balance sheet date

No events of note have taken place since the end of the financial year which affected the company’s operations.

24 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 10 May 2021 and were signed on its behalf on that date.