Nichols Aluminium LLC

Financial Statements and Related Notes As of March 31, 2021

(Unaudited)

Table of Contents

	Page Number
TABLE OF CONTENTS	1
STATEMENT OF OPERATIONS (UNAUDITED)	4
BALANCE SHEET (UNAUDITED)	5
STATEMENT OF CASH FLOWS (UNAUDITED)	6
STATEMENT OF MEMBER'S EQUITY (UNAUDITED)	7
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)	8
1. RESTRUCTURING AND IMPAIRMENT	14
2. ACCOUNTS RECEIVABLE	14
3. INVENTORIES	14
4. PREPAID EXPENSES AND OTHER CURRENT ASSETS	15
5 PROPERTY, PLANT AND EQUIPMENT	15
6 GOODWILL AND INTANGIBLE ASSETS	15
7. LEASES	16
8. RELATED PARTY TRANSACTIONS	18
9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES	18
10. OTHER EXPENSES	18
11. PUSH DOWN ACCOUNTING	19
12. REVENUE FROM CONTRACT WITH CUSTOMERS	20

CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Nichols Aluminum LLC and certify that the information included therein accurately reflects the financial position of Nichols Aluminum Nichols LLC as of March 31, 2021 and the results of its operations for the period April 14, 2020 to March 31, 2021.

By: Stephanie Rauls

Name: Stephanie Rauls
Title: Chief Accounting Officer and Controller
Date: May 20, 2021

Nichols Aluminum LLC
STATEMENT OF OPERATIONS (UNAUDITED)
(In thousands, except number of shares)

	Period Ended March 31, 2021
Net sales	**302,555**
Cost of goods sold (exclusive of depreciation and amortization)	233,888
Selling, general and administrative expenses	482
Depreciation and amortization	22,960
Interest expense and amortization of debt issuance costs	17
Restructuring and impairment, net	25
Other expense (income), net	460
	257,832
Income before income taxes	**44,723**
Income tax provision	-
Net income for the period	**44,723**

See accompanying notes to financial statements.

Nichols Aluminum LLC
BALANCE SHEET (UNAUDITED)
(In thousands, except number of shares)

	March 31,2021
ASSETS	
Current assets	
Accounts receivable, net	
— third parties (net of uncollectible accounts of $0)	35,536
— related parties	112,167
Inventories	42,414
Prepaid expenses and other current assets	571
Total current assets	**190,688**
Property, plant and equipment, net	112,909
Other long–term assets	
— third parties	162
Total assets	**303,759**
LIABILITIES AND SHAREHOLDER'S EQUITY	
Current liabilities	
Current portion of long–term debt	333
Accounts payable	
— third parties	37,675
— related parties	1,425
Accrued expenses and other current liabilities	
— third parties	4,964
Total current liabilities	**44,397**
Long–term debt, net of current portion	212
Other long–term liabilities	383
Total liabilities	**44,992**
Member's equity	
Member's capital	214,044
Retained earnings	44,723
Total equity	258,767
Total liabilities and equity	**303,759**

See accompanying notes to financial statements

Nichols Aluminum LLC
STATEMENT OF CASH FLOWS (UNAUDITED)
(In thousands, except number of shares)

	Period Ended March 31, 2021
OPERATING ACTIVITIES	
Net income	44,723
Adjustments to determine net cash provided by operating activities:	
Depreciation and amortization	22,960
Changes in assets and liabilities:	
Inventories	(17,447)
Accounts receivable	(2,246)
Due From related parties	(56,383)
Accounts payable	18,235
Other current assets	(571)
Other current liabilities	(118)
Other noncurrent assets	408
Other noncurrent liabilities	(66)
Net cash provided by operating activities	**9,495**
INVESTING ACTIVITIES	
Proceeds from sales of assets, third party, net	(9,182)
Net cash used in investing activities	**(9,182)**
FINANCING ACTIVITIES	
Principal payments of long-term and short-term borrowings, net	(316)
Additional investment from parent	3
Net cash used in financing activities	**(313)**
Net decrease in cash and cash equivalents	-
Cash and cash equivalents — beginning of period	-
Cash and cash equivalents — end of period	-

See accompanying notes to financial statements.

Nichols Aluminum LLC
STATEMENT OF MEMBER'S EQUITY (UNAUDITED)
(In thousands, except number of shares)

	Member's Capital	Retained Earnings	Total Equity
Balance as of April 14, 2020	**214,041**	-	**214,041**
Additional Capital	3		3
Net income	-	44,723	44,723
Balance as of March 31, 2021	**214,044**	**44,723**	**258,767**

See accompanying notes to financial statements.

Nichols Aluminum LLC
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
(In thousands, except number of shares)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In this unaudited financial statements, references herein to the "Company," "we," "our," or "us" refer to Nichols Aluminum LLC unless the context specifically indicates otherwise. References herein to "Novelis" refer to Novelis Inc. Novelis acquired Aleris Corporation ("Aleris") in April 2020. Unless otherwise specified, the period referenced is the current fiscal period. Reference to "fiscal 2021," refers to the fiscal period April 14, 2020 to March 31, 2021. These financial statements have been prepared after considering the "push down effect" of value adjustments arising out of the acquisition of the Company by Novelis.

Organization and Description of Business

Nichols Aluminum LLC operates multiple rolling plants in the United States. Novelis Inc. acquired Aleris on April 14, 2020. All the common shares of Nichols Aluminium are owned directly by Aleris Rolled Products, Inc. The Company's functional and reporting currency is United States Dollar (USD).

Basis of Presentation

These financial statements have been prepared to satisfy the reporting requirements of the ultimate parent company, Hindalco Industries Limited, for the sole purpose of complying with the Companies Act, 2013 ("The 2013 Act"). In accordance with Sections 136 and 137 of the 2013 Act, it is required to present separate subsidiary financial statements, and Section 137 further requires entities with foreign subsidiaries to submit individual financial statements of such foreign subsidiaries along with its own standalone and consolidated financial statements. Thus, the results of the Company's separate financial statements are included in the consolidated financial statements of our parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. GAAP requires that wholly owned subsidiaries, majority-owned subsidiaries over which we exercise control, entities in which we have a controlling financial interest and entities for which we are deemed to be the primary beneficiary be consolidated. The books and records of the Company are prepared and recorded under U.S. GAAP. Accordingly, we have presented these financial statements on a standalone unconsolidated basis, which is a deviation from U.S. GAAP as it is not feasibly possible to present these statements in another basis of accounting other than books and records of the subsidiary. Otherwise, these separate financial statements are prepared in accordance with U.S. GAAP.

These statements have not been audited, as there is no local jurisdictional requirement to present audited standalone subsidiary financial statements. When applicable, Investments in subsidiaries are presented using the cost method.

Use of Estimates and Assumptions

The preparation of our financial statements in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. The principal areas of judgment relate to tax uncertainties and valuation allowances; and assessment of loss contingencies, including environmental and litigation liabilities. Future events and their effects cannot be predicted with certainty, and accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. We evaluate and update our assumptions and estimates on an ongoing basis and may employ outside experts to assist in our evaluations. Actual results could differ from the estimates we have used.

Risks and Uncertainties

We are exposed to a number of risks in the normal course of our operations that could potentially affect our financial position, results of operations, and cash flows.

Risks & Uncertainty resulting from COVID-19

Beginning late in the fourth quarter of fiscal year ended March 31, 2020 and carrying into the current fiscal year, the COVID-19 pandemic, and its unprecedented negative economic implications, have affected production and sales across a range of industries around the world.

Our global operations, similar to those of many other large, multi-national corporations, were also impacted. Early in fiscal year 2021, we were required to partially shut down or temporarily close certain facilities in the United States ("U.S.") and abroad to comply with state orders and governmental decrees and adjust schedules at some of our facilities based on customer demand. The plant shutdowns and adjusted schedules resulting from the COVID-19 pandemic resulted in disruptions to our supply chain, interruptions to our production, and delays of shipments to our customers, mainly during the first quarter of the current fiscal year.

While much of our customer demand and shipments recovered in the majority of our end markets during the second fiscal quarter and remained robust through the remainder of fiscal 2021, the overall extent of the impact of the COVID-19 pandemic on our operating results, cash flows, liquidity, and financial condition will depend on certain developments, including the duration and spread of the outbreak and its impact on our customers, employees, and vendors. We believe this will be primarily driven by the severity and duration of the pandemic, the pandemic's impact on the U.S. and global economies and the timing, scope, and effectiveness of federal, state, and local governmental responses, including the distribution and adoption of vaccines.

Our application of U.S. GAAP requires the pervasive use of estimates and assumptions in preparing the unaudited financial statements. The global COVID-19 pandemic has required greater use of estimates and assumptions. More specifically, those estimates and assumptions that are utilized in our forecasted cash flows that form the basis in developing the fair values utilized in impairment assessments as well as annual effective tax rate. This has included assumptions as to the duration and severity of the pandemic, timing and amount of demand shifts amongst sales channels (primarily in the automotive industry), workforce availability, and supply chain continuity. We have experienced short-term disruptions and anticipate such disruptions may continue for the foreseeable future but anticipate an eventual return to normal demand. Although we have made our best estimates based upon current information, the effects of the COVID-19 pandemic on our business may result in future changes to our estimates and assumptions based on its duration. Actual results could materially differ from the estimates and assumptions developed by management. If so, we may be subject to future impairment charges as well as changes to recorded reserves and valuations.

Net Sales

We recognize revenue in accordance with the FASB Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"). Refer Note 12- Revenue from contract with customers for further details.

Cost of Goods Sold (Exclusive of Depreciation and Amortization)

Cost of goods sold (exclusive of depreciation and amortization) includes all costs associated with inventories, including the procurement of materials, the conversion of such materials into finished products, and the costs of warehousing and distributing finished goods to customers. Material procurement costs include inbound freight charges as well as purchasing, receiving, inspection and storage costs. Conversion costs include the costs of direct production inputs such as labor and energy, as well as allocated overheads from indirect production centers and plant administrative support areas. Warehousing and distribution costs include inside and outside storage costs, outbound freight charges and the costs of internal transfers.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include selling, marketing and advertising expenses; salaries, travel and office expenses of administrative employees and contractors.

Restructuring Activities

Restructuring charges, which are recorded within restructuring and impairment, net, include employee severance and benefit costs, impairments of assets, and other costs associated with exit activities. Restructuring costs are determined based on estimates prepared at the time the restructuring actions were approved by management and are periodically updated for changes. Restructuring costs include expenses that are recorded through the restructuring liability. We apply the provisions of ASC 420,[TABLE 5.4/ PY 12.6/]Exit or Disposal Cost Obligations ("ASC 420") and ASC 712, Compensation — Nonretirement Postemployment Benefits ("ASC 712"). Severance costs accounted for under ASC 420 and/or ASC 712 are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Impairment losses are based upon the estimated fair value less costs to sell, with fair value estimated based on existing market prices for similar assets. 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 accruals for restructuring costs to ensure the accruals are still appropriate.

Cash and Cash Equivalents

Cash and cash equivalents include investments that are highly liquid and have maturities of three months or less when purchased. The carrying values of cash and cash equivalents approximate their fair value due to the short-term nature of these instruments.

We maintain amounts on deposit with various financial institutions, which may, at times, exceed federally insured limits. However, management periodically evaluates the creditworthiness of those institutions, and we have not experienced any losses on such deposits.

Accounts Receivable-Third Party

We do not obtain collateral relating to our accounts receivable. We do not believe there are any significant concentrations of revenues from any customer or group of customers that would subject us to any significant credit risks in the collection of our accounts receivable. We report accounts receivable at the estimated net realizable amount we expect to collect from our customers.

Additions to the allowance for credit losses are made by means of the provision for credit losses. We write-off uncollectible accounts receivable against the allowance for credit losses after exhausting collection efforts. For each of the periods presented, we performed an analysis of our historical cash collection patterns and considered the impact of any known material events in determining the allowance for credit losses.

Property, Plant and Equipment

We record land, buildings, leasehold improvements, and machinery and equipment at cost. We record assets under finance lease obligations at the lower of their fair value or the present value of the aggregate future minimum lease payments as of the beginning of the lease term. We generally depreciate our assets using the straight-line method over the shorter of the estimated useful life of the assets or the lease term, excluding any lease renewals, unless the lease renewals are reasonably certain. We assign useful lives to and depreciate major components of our property, plant and equipment.

The ranges of estimated useful lives are as follows:

	Years
Buildings	30 to 40
Leasehold improvements	7 to 20
Machinery and equipment	2 to 25
Furniture, fixtures and equipment	3 to 10
Equipment under finance lease obligations	5 to 15

Most of our large-scale machinery, including hot mills, cold mills, continuous casting mills, furnaces, and finishing mills have useful lives of 15 to 25 years. Supporting machinery and equipment, including automation and work rolls, have useful lives of 2 to 15 years.

Maintenance and repairs of property and equipment are expensed as incurred. We capitalize replacements and improvements that increase the estimated useful life of an asset. We also capitalize construction costs and interest incurred while major construction and development projects are in progress. These amounts are capitalized as construction in progress within property, plant and equipment until the asset is placed into service. Once placed into service, the asset, including the associated capitalized interest, is reclassified from construction in progress to the appropriate property, plant and equipment component and depreciation commences.

We retain fully depreciated assets in property and accumulated depreciation accounts until they are removed from service. In the case of sale, retirement, or disposal, the asset cost and related accumulated depreciation balances are removed from the respective accounts, and the resulting net amount, after consideration of any proceeds, is included as a gain or loss in other expenses, net or gain on assets held for sale in our consolidated statements of operations.

We account for operating leases under the provisions of ASC 842, Leases. This pronouncement requires us to recognize escalating rents, including any rent holidays, on a straight-line basis over the term of the lease for those lease agreements where we receive the right to control the use of the entire leased property at the beginning of the lease term.

Financing Costs

We amortize financing costs and premiums, and accrete discounts, over the remaining life of the related debt using the effective interest amortization method, unless the impact of utilizing the straight-line method results in an immaterial difference. The expense is included in interest expense and amortization of debt issuance costs in our statements of operations. We record discounts and unamortized financing costs as a direct deduction from, or premiums as a direct addition to, the face amount of the financing.

Recently Adopted Accounting Standards

Standard	Adoption	Description	Disclosure Impact
Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting along with additional technical improvements and clarifications since issued (Issued March 2020)	April 1, 2020	The standard provides transitional guidance and optional expedients and exceptions for applying U.S. GAAP to contract modifications and hedging relationships which reference LIBOR or another reference rate expected to be discontinued.	No impact on Company's financial Statements
ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (Issued December 2019)	April 1, 2020	The standard simplifies the accounting for income taxes by eliminating certain exceptions in ASC 740 related to the methodology for calculating income taxes in an interim period. It also clarifies and simplifies other aspects of the accounting for income taxes, improving the consistent application and simplification of U.S. GAAP.	The Company elected to early adopt the standard on a prospective basis. The most significant impact to the Company is the removal of a limit on the tax benefit recognized on pre-tax losses in interim periods. The adoption of this standard removed the limit on the tax benefit
ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments	April 1, 2020	The standard provides various codification updates and improvements to address comments received.	No impact on Company's financial Statements
ASU 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities (Issued October 2018)	April 1, 2020	This standard eliminates the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest. Instead, the reporting entity must consider such indirect interests on a proportionate basis.	No impact on Company's financial Statements
ASU 2018-15, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (Issued August 2018)	April 1, 2020	This standard requires capitalization of implementation costs incurred in a hosting arrangement that is a service contract. This change will better align with requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected.	No impact on Company's financial Statements
ASU 2018-14, Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans (Issued August 2018)	April 1, 2020	This standard added requirements for new disclosures such as requiring a narrative description of the reasons for significant gains and losses affecting the benefit obligation for the period and also an explanation of any other significant changes in the benefit obligation or plan assets that are not otherwise apparent in the other disclosures required by ASC 715. Further, the standard removes some currently required disclosures such as (a) the requirement (for public entities) to disclose the effects of a one-percentage-point change on the assumed health care costs and the effect of this change in rates on service cost	No impact on Company's financial Statements

ASU 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment (Issued January 2017)	April 1, 2020	This standard removes Step 2 from the goodwill impairment test. As amended, the goodwill impairment test will consist of one step comparing the fair value of a reporting unit with its carrying amount. Under the simplified model, a goodwill impairment is calculated as the difference between the carrying amount of the reporting unit and its fair value, but not to exceed the carrying amount of goodwill allocated to that reporting unit. This	No impact on Company's financial Statements
ASU 2016-13, Financial Instrument-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments along with additional technical improvements and clarifications since issued (Issued June 2016)	April 1, 2020	The standard provides financial statement users with more decision-useful information about expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The current expected credit loss ("CECL") model requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts.	No impact on Company's financial Statements
ASU 2018-18, Collaborative Arrangements (Topic 808): Clarifying the interaction between Topic 808 and Topic 606 (Issued November 2018)	October 1, 2020	The standard clarifies the interaction between Topic 808, collaborative agreements, and Topic 806, Revenue from Contracts with Customers. Targeted improvements served to clarify when transactions between collaborative arrangement participants should be accounted for as revenue under Topic 606.	No impact on Company's financial Statements

1. RESTRUCTURING AND IMPAIRMENT

"Restructuring and impairment, net" for the period ended March 31, 2021 was $ 25,as included in Statement of operations.

The following table summarizes our restructuring liability activity-

	Total restructuring liabilities
Balance as of March 31, 2021	
Activity during the period	
Expenses	25
Cash payments	25
	-

2. ACCOUNTS RECEIVABLE

"Accounts receivable, net" consists of the following.

	March 31,2021
Accounts receivable, net - third parties	35,536
Accounts receivable, net - related parties	112,167
Accounts receivable, net	**147,703**

Refer Note 8. Related party transactions for further details.

3. INVENTORIES

"Inventories" consists of the following.

	March 31,2021
Finished goods	4,342
Work in process	22,949
Raw materials	12,566
Supplies	2,557
Inventories	**42,414**

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

"Prepaid expenses and Other Current assets" consist of the following.

	March 31,2021
Prepaid - Insurance	571
	571

5 PROPERTY, PLANT AND EQUIPMENT

"Property, plant and equipment, net" consists of the following.

	March 31,2021
Land and property rights	5,115
Buildings	30,577
Machinery and equipment	97,496
	133,188
Accumulated depreciation and amortization	(22,955)
	110,233
Construction in progress	2,676
Property, plant and equipment, net	**112,909**

Depreciation expense related to property, plant, and equipment; net is shown in the table below.

	March 31,2021
Depreciation expense related to property, plant and equipment, net	22,955

6 GOODWILL AND INTANGIBLE ASSETS

The components of "Intangible assets, net" are as follows.

				March 31,2021
	Weighted Average Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Technology and software	10 years	5	5	-
	10 years	**5**	**5**	-

Amortization expense related to "Intangible assets, net" is as follows:

	Period ended March 31, 2021
Total amortization expense related to intangible assets	5

7. LEASES

We lease certain land, buildings and equipment under non-cancelable operating lease arrangements and certain office space under finance lease arrangements.

We used the following policies and/or assumptions in evaluating our lease population:

- Lease determination: Novelis considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.
- Discount rate: When our lease contracts do not provide a readily determinable implicit rate, we use the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by region and asset class.
- Variable payments: Novelis includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. Other variable lease payments include, but are not limited to, maintenance, service, and supply costs. These costs are disclosed as a component of total lease costs.
- Purchase options: Certain leases include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.
- Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at our sole discretion.
- Residual value guarantees, restrictions, or covenants: Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.
- Short-term leases: Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term and expense the associated operating lease costs to selling, general and administrative expenses on the consolidated statements of operations.
- Non-lease components: Leases that contain non-lease components (primarily equipment maintenance) are accounted for as a single component and recorded on the consolidated balance sheets for certain asset classes including real estate and certain equipment. Non-lease components include, but are not limited to, common area maintenance, service arrangements, and supply agreements.

The table below presents the classification of leasing assets and liabilities-

Leases		Classification	March 31,2021
Right of use assets			
Operating lease assets		Other long -term assets	51
Finance lease assets		Property, plant and equipment	879
		Accumulated Depriciation	(365)
Finance lease assets, net			**515**
Total leased assets			**565**
Liabilities			
Current			
	Operating lease liability	Accrued expenses and other current liabilities	23
	Finance lease liability	Current portion of long–term debt	333
Long term			
	Operating lease liability	Other long–term liabilities	28
	Finance lease liability	Long–term debt, net of current portion	212
Total leased liabilities			**596**

The table below presents the classification of lease related expenses as reported on the statements of operations. Amortization of and interest on liabilities related to finance leases were $382 during the period ended March 31, 2021.

Lease Cost		Period ended March 31, 2021
Operating lease cost	Selling, general and administrative expenses	544

Future minimum lease payments as of March 31, 2021, for our operating & finance leases having an initial or remaining non-cancelable lease term in excess of one year, are as follows-

Maturity of Lease Liabilities	Operating Lease	Finance Lease
2022	24	348
2023	24	214
2024	4	-
Total lease payments	**52**	**562**
Less: Interest	(1)	(17)
Present value of lease liabilities	**51**	**545**

The following table presents the weighted-average remaining lease term and discount rates-

Lease Term and Discount Rate	March 31, 2021
Weighted-average remaining lease term (years)	
Operating leases	2.2
Finance leases	1.6
Weighted-average discount rate	
Operating leases	2.6%
Finance leases	2.4%

The following table presents supplemental information on our leases for the fiscal years ended March 31, 2021-

Other Information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	524
Operating cash flows from finance leases	17
Financing cash flows from finance leases	316

8. RELATED PARTY TRANSACTIONS

Included in the accompanying financial statements are transactions and balances arising from business we conduct with our indirect parent and non-consolidated affiliates which we classify as related party transactions and balances. The following table describes the period-end account balances that we had with these related parties, shown as related party balances in the accompanying balance sheet (in thousands).

	March 31,2021
Aleris International, Inc.	30,899
Aleris Rolled Products, LLC	32,900
Aleris Rolled Products, Inc.	48,368
Accounts receivable-related parties	**112,167**
Aleris RM, Inc.	649
Novelis Corporation	776
Accounts payable-related parties	**1,425**

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

"Accrued expenses and other current liabilities" consist of the following.

	March 31, 2021
Accrued compensation and benefits	4,189
Other current liabilities	775
Accrued expenses and other current liabilities - third parties	**4,964**

10. OTHER EXPENSES

"Other expense (income), net" is comprised of the following -

	March 31,2021
Realized (gains) losses on change in fair value of derivative instruments, net	108
Loss on sale of assets, net	352
Other expenses, net	**460**

11. PUSH DOWN ACCOUNTING

Effective April 14, 2020, Novelis acquired 100% equity interest in Aleris for a purchase consideration of $ 2,775,000. Pursuant to this, Novelis allocated the purchase consideration to the Company and all the other group entities. The allocated purchase consideration amounted to $ 214,044. The Company accounted the acquisitions by following the purchase method of accounting wherein allocated purchase consideration was allocated to all the acquired assets-and-assumed-liabilities. The Company has elected to push-down the effects of accounting for the acquisitions under the purchase method from the date of acquisitions, and accordingly all such adjustments are reported in these financial statements. The purchase price paid was allocated as follows:

	Amount
Allocated purchase consideration	214,044
Allocated to:	
Accounts receivable	33,291
Accounts receivable, net - related party	254,763
Inventories	24,968
Property, plant and equipment, net	126,641
Intangible assets	45
Other long-term assets	569
Current portion of long–term debt	(367)
Accounts Payable	(19,438)
Accounts payable, net - related party	(200,400)
Accrued expenses and other current liabilities	(5,082)
Long–term debt, net of current portion	(494)
Other long–term liabilities	(452)
Total	**214,044**

12. REVENUE FROM CONTRACT WITH CUSTOMERS

The Company's contracts with customers are comprised of purchase orders with standard terms and conditions. These contracts typically consist of the manufacture of products, which represent single performance obligations that are satisfied upon transfer of control of the product to the customer at a point in time.

The Company's revenue for the period April 14, 2020 to March 31, 2021 comprises of below-

	Period Ended March 31, 2021
Net sales to third parties	258,811
Net sales to related parties	43,744
Total	**302,555**

.