Aleris Rolled Products Sales Corporation

Financial Statements and Related Notes As of March 31, 2021

(Unaudited)

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CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Aleris Rolled Products Sales Corporation and certify that the information included therein accurately reflects the financial position of Aleris Rolled Products Sales Corporation 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 18, 2021

Aleris Rolled Products Sales Corporation
STATEMENT OF OPERATIONS (UNAUDITED)
(In thousands, except number of shares)

	Period Ended March 31, 2021
Net sales	-
Selling, general and administrative expenses	2,006
Depreciation and amortization	115
Interest expense	2
Restructuring and impairment, net	339
Business acquisition and other integration related costs	6
	2,468
Loss before income taxes	(2,468)
Income tax provision	0
Net loss	**(2,468)**

See accompanying notes to financial statements.

Aleris Rolled Products Sales Corporation
BALANCE SHEET (UNAUDITED)
(In thousands, except number of shares)

	March 31, 2021
Current assets	
Accounts receivable, net	
— related parties	13,804
Total current assets	**13,804**
Property, plant and equipment, net	66
Deferred income tax assets	-
Other long–term assets	
— third parties	296
Total assets	**14,166**
LIABILITIES AND SHAREHOLDER'S DEFICIT	
Current liabilities	
Current portion of long–term debt	20
Accounts payable	
— third parties	18
— related parties	15,570
Accrued expenses and other current liabilities	
— third parties	851
Total current liabilities	**16,459**
Long–term debt, net of current portion	2
Other long–term liabilities	170
Total liabilities	**16,631**
Shareholder's equity	
Common stock, no par value; unlimited number of shares authorized; 1,000 shares issued and outstanding	-
Additional paid–in capital	3
Retained earnings	(2,468)
Total equity	**(2,465)**
Total liabilities and equity	**14,166**

See accompanying notes to financial statements.

Aleris Rolled Products Sales Corporation
CASH FLOW STATEMENT (UNAUDITED)
(In thousands, except number of shares)

	Period Ended March 31,2021
OPERATING ACTIVITIES	
Net loss	(2,468)
Adjustments to determine net cash provided by operating activities:	
Depreciation and amortization	115
Changes in assets and liabilities including assets and liabilities:	
Due to/from related parties	2,203
Accounts payable	(21)
Other current liabilities	244
Other noncurrent assets	148
Other noncurrent liabilities	(150)
Net cash provided by operating activities	**71**
INVESTING ACTIVITIES	
Capital expenditures	(10)
Net cash provided by in investing activities	**(10)**
Principal payments of finance lease obligations	(64)
Additional investment from parent	3
Net cash used in financing activities	**(61)**
Net increase 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.

Aleris Rolled Products Sales Corporation
STATEMENT OF SHAREHOLDER'S DEFICIT (UNAUDITED)
(In thousands, except number of shares)

	Common Shares		Additional paid-in capital	Retained Earnings	Total Equity
	Shares	Amount			
Balance as of April 14, 2020	-	-	**-**		**-**
Additional paid up capital	1,000		3		3
Net loss	-	-	-	(2,468)	(2,468)
Balance as of March 31, 2021	**1,000**	-	**3**	**(2,468)**	**(2,465)**

See accompanying notes to financial statements.

Aleris Rolled Products Sales Corporation
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 Aleris Rolled Products Sales Corporation 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 ended 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

Aleris Rolled Products Sales Corporation is one of the sales office of. Novelis Inc. acquired Aleris on April 14, 2020. All the common shares of Aleris Rolled Products Sales Corporation 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 consolidated 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 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.

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; legal and professional fees; software license fees; bad debt expenses; and factoring expenses.

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, 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.

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 ease 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 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.

The Company has considered the "push down effect" of fair value adjustments and presented the property and equipment and leases at fair value at the date of acquisition.

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 consolidated 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.

Interest expense on leases is as per the provisions of ASC 842, Leases.

Income Taxes

We account for income taxes using the asset and liability method. This approach recognizes the amount of income taxes payable or refundable for the current year, as well as deferred tax assets and liabilities for the future tax consequence of events recognized in the financial statements and income tax returns. Deferred income tax assets and liabilities are adjusted to recognize the effects of changes in tax laws or enacted tax rates. Under ASC 740, Income Taxes ("ASC 740"), a valuation allowance is required when it is more likely than not that some portion of the deferred tax assets will not be realized. Realization is dependent on generating sufficient taxable income through various sources.

We used the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable). Net operating losses (or other current or deferred tax attributes) are characterized as realized (or realizable) when those tax attributes are realized (or realizable) by the group of Novelis Holdings Inc. even if Aleris Rolled Products Sales Corporation would not otherwise have realized the attributes on a stand-alone basis.

We record tax benefits related to uncertain tax positions taken or expected to be taken on a tax return when such benefits meet a more than likely than not threshold. Otherwise, these tax benefits are recorded when a tax position has been effectively settled, the statute of limitation has expired or the appropriate taxing authority has completed their examination. Interest and penalties related to uncertain tax positions are recognized as part of the provision for income taxes and are accrued beginning in the period that such interest and penalties would be applicable under relevant tax law until such time that the related tax benefits are recognized.

Recently Adopted Accounting Standards

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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 the 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.	No impact on the Company's financial statements
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 the 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 the 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 the 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, interest cost, and the benefit obligation for postretirement health care benefits and (b) the amounts in accumulated other comprehensive income expected to be recognized in net periodic benefit costs over the next fiscal year.	No impact on the 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 standard will need to be considered each time Novelis performs an assessment of goodwill for impairment under the quantitative test.	No impact on the 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 the 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 the Company's financial statements

Aleris Rolled Products Sales Corporation
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – (Continued)
(In thousands, except number of shares)

1. RESTRUCTURING AND IMPAIRMENT

"Restructuring and impairment, net" for the period ended March 31, 2021 was $339, as included in Statement of Operations. As of March 31, 2021, $30 is included in accrued expenses and other current liabilities in our balance sheet.

The following table summarizes our restructuring liability activity.

	Total restructuring liabilities
Balance as of March 31, 2021	
Activity during the period:	
Expenses	339
Cash payments	309
	30

2. ACCOUNTS RECEIVABLE

"Accounts receivable, net" consists of the following.

	March 31 2021
Accounts receivable, net - related parties	13,804
Accounts receivable, net	**13,804**

Refer Note 5. related party transactions for further details.

3. PROPERTY, PLANT AND EQUIPMENT

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

	March 31,2021
Buildings	62
Machinery and equipment	119
	181
Accumulated depreciation and amortization	(115)
Property, plant and equipment, net	**66**

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

	Period Ended March 31 2021
Depreciation expense related to property, plant and equipment, net	115

4. 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 to use Assets			
Operating lease assets		Other long-term assets	296
Finance lease assets		Property Plant and Equipment,net	53
		Accumulated Depreciation	(30)
Finance lease assets, net			**23**
Total leased assets			**319**
Liabilities			
Current			
	Operating leases liablities	Accrued expenses and other current liabilities	129
	Finance leases liablities	Current portion of long–term debt	20
Long term			
	Operating leases liablities	Other long–term liabilities	170
	Finance leases liablities	Long–term debt, net of current portion	-
Total leased liabilities			**319**

The table below presents the classification of lease related expenses or income as reported on the statements of operations. Amortization of and interest on liabilities related to finance leases were $32 during the period ended March 31, 2021.

Expense type	Income statement classification	Period ended March 31 2021
Operating lease cost (1)	Selling, general and administrative expenses	140

(1)- Operating lease costs include short term leases.

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

Maturity of Lease Liabilities	Operating Leases	Finance Leases
2022	135	20
2023	127	-
2024	46	-
2025	-	-
2026	-	-
After 2026		
Total lease payments	**309**	**20**
Less: Interest	(10)	-
Present value of lease liabilities	**299**	**20**

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
Finance leases	1
Weighted-average discount rate	
Operating leases	3
Finance leases	2

The following table presents supplemental information on our operating and finance leases for the fiscal period ended March 31, 2021-

Other Information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	147
Operating cash flows from finance leases	2
Financing cash flows from finance leases	64
Leased assets obtained in exchange for new finance lease liabilities	2
Leased assets obtained in exchange for new operating lease liabilities	21

5. 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.

	Period Ended March 31, 2021
Aleris Rolled Products Germany GmbH	47
Aleris Rolled Products, LLC	4,250
Aleris Rolled Products, Inc.	9,218
Aleris Ohio Management, Inc.	259
Aleris Aluminum Zhenjiang Co., Ltd.	30
Accounts receivable-related parties	**13,804**
Aleris International, Inc.	15,570
Accounts payable-related parties	**15,570**

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

"Accrued expenses and other current liabilities" consist of the following (in thousands).

	Period Ended March 31 2021
Accrued compensation and benefits	722
Operating Lease Liablities	129
Accrued expenses and other current liabilities - third parties	**851**

7. 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 $ Nil. 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	-
Allocated to:	
Accounts receivable, net - related party	437
Property, plant and equipment, net	227
Other long-term assets	422
Current portion of long–term debt	(111)
Accounts Payable	(39)
Accrued expenses and other current liabilities	(605)
Long–term debt, net of current portion	(32)
Other long–term liabilities	(299)
Total	-

8. INCOME TAXES

We used the benefits-for-loss method of tax allocation so that net operating losses are characterized as realized (or realizable). We are subject United States federal and state income taxes. The domestic components of our "Income (loss) before income taxes" are as follows.

		Period Ended March 31 2021
Domestic (US)	$	(2,468)
Pre-tax income	$	(2,468)

	Period Ended March 31 2021
Current provision (benefit):	
Federal	
State	
Total current	$ -
Deferred provision (benefit):	
Federal	
State	
Total deferred	
Income tax provision	$ -

Deferred Income Taxes

Deferred income taxes recognize the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts used for income tax purposes, and the impact of available net operating loss (NOL) and tax credit carryforwards. These items are stated at the enacted tax rates that are expected to be in effect when taxes are actually paid or recovered.

On March 31, 2021 we had valuation allowances recorded against deferred tax assets of $579, to reduce certain deferred tax assets to amounts that are more likely than not to be realized. Valuation allowances relate primarily to the U.S. federal effects of net operating losses. We will maintain valuation allowances against our net deferred tax assets in the U.S. until objective positive evidence exists to reduce or eliminate the valuation allowance.