Novelis Holdings Inc.

Financial Statements and Related Notes As of March 31, 2021

(Unaudited)

Novelis Holdings Inc.

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CERTIFICATION

I, Stephanie Rauls, have reviewed the attached unaudited standalone financial statements for Novelis Holdings Inc. and certify that the information included therein accurately reflects the financial position of Novelis Holdings Inc. as of March 31, 2021 and the results of its operations for the year then ended.

By: Stephanie Rauls
Name: Stephanie Rauls
Title: Chief Accounting Officer & Controller
Date: May 18, 2021

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Novelis Holdings Inc.

STATEMENT OF OPERATIONS (unaudited)

(In thousands)

	Year Ended March 31,	
	2021	**2020**
Net sales	$ -	$ -
Selling, general and administrative expenses	166	28,273
Business acquisition and other integration related expenses	12,166	65,286
Interest expense and amortization of debt issuance costs	32,877	-
Loss on extinguishment of debt	5,316	-
Unrealized losses on change in fair value of derivative instruments	6,223	-
Other income, net	(6,001)	-
Interest income - related party	(2,601)	(15,888)
	48,146	77,671
Loss before income taxes	(48,146)	(77,671)
Income tax benefit	(9,375)	(11,494)
Net loss	$ (38,771)	$ (66,177)

See accompanying notes to financial statements.

Novelis Holdings Inc.

STATEMENT OF COMPREHENSIVE LOSS (unaudited)

(In thousands)

	Year Ended March 31,	
	2021	**2020**
Net loss	$ (38,771)	$ (66,177)
Comprehensive loss	$ (38,771)	$ (66,177)

See accompanying notes to financial statements.

Novelis Holdings Inc.

BALANCE SHEET (unaudited)

(In thousands, except number of shares)

	March 31,	
	2021	**2020**
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,049	$ -
Accounts receivable		
— related parties	-	64,012
Prepaid expenses and other current assets	12,949	11,410
Total current assets	13,998	75,422
Investments in subsidiaries	1,511,522	325
Deferred income tax assets	17,387	9,550
Other long-term assets		
— related parties	6,303	246,944
Total assets	$ 1,549,210	$ 332,241
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Short-term borrowings - related parties	$ 200,252	$ -
Accounts payable		
— related parties	11,528	4,856
Fair value of derrivative instruments	6,223	-
Accrued expenses and other current liabilities		
— third parties	15,326	-
Total current liabilities	$ 233,329	$ 4,856
Long-term debt - net of current portion		
— related parties	1,173,786	146,519
Total liabilities	$ 1,407,115	$ 151,375
Shareholder's equity		
Common stock, $0.01 par value; 10,000 number of shares authorized; 2,000 shares issued and outstanding as of March 31, 2021 and 2020	-	-
Retained earnings	142,095	180,866
Total shareholder's equity	142,095	180,866
Total liabilities and shareholder's equity	$ 1,549,210	$ 332,241

See accompanying notes to financial statements.

Novelis Holdings Inc.

STATEMENT OF CASH FLOWS (unaudited)

(In thousands)

	Year Ended March 31,	
	2021	**2020**
OPERATING ACTIVITIES		
Net loss	$ (38,771)	$ (66,177)
Adjustments to determine net cash provided by operating activities:		
Loss (gain) on unrealized derivatives and undesignated realized derivatives in investing activities, net	6,223	-
Loss on extinguishment of debt	5,316	-
Deferred income taxes	(7,837)	(84)
Amortization of debt issuance costs and carrying value	5,539	-
Changes in assets and liabilities:		
Accounts receivable	64,012	(15,888)
Accounts payable - related party	6,673	(52,960)
Other current assets	(1,539)	(11,410)
Other current liabilities	15,696	-
Other noncurrent assets	238,356	-
Net cash provided by operating activities	293,668	(146,519)
INVESTING ACTIVITIES		
Outflows from investments in and advances to non-consolidated affiliates, net	(1,511,197)	-
Net cash provided by investing activities	(1,511,197)	-
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	1,100,000	-
Principal payments of long-term debt	(1,100,000)	-
Proceeds from issuance of long-term debt - related party	1,027,267	146,519
Short-term borrowings, net - related party	200,252	-
Debt issuance costs	(8,941)	-
Net cash provided by financing activities	1,218,578	146,519
Net increase in cash and cash equivalents	1,049	-
Cash and cash equivalents — beginning of period	-	-
Cash and cash equivalents — end of period	$ 1,049	$ -

See accompanying notes to financial statements.

Novelis Holdings Inc.

STATEMENT OF SHAREHOLDER'S EQUITY (unaudited)

(In thousands, except number of shares)

	Common Shares		Retained	Total
	Shares	Amount	Earnings	Equity
Balance as of March 31, 2019	2,000	$ -	$ 247,043	$ 247,043
Net loss	-	-	(66,177)	(66,177)
Balance as of March 31, 2020	2,000	-	180,866	180,866
Net loss	-	-	(38,771)	(38,771)
Balance as of March 31, 2021	2,000	$ -	$ 142,095	$ 142,095

See accompanying notes to financial statements.

Novelis Holdings Inc.

NOTES TO THE FINANCIAL STATEMENTS (unaudited)

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

References herein to the "Company," "we," "our," or "us" refer to Novelis Holdings Inc. unless the context specifically indicates otherwise.

Organization and Description of Business.

Novelis Holdings Inc. was formed in Delaware on November 29, 2010 as a holding company. The company is a wholly owned subsidiary of Novelis Inc. (Canada). The Company's functional and reporting currency is United States Dollar (USD).

Use of Estimates and Assumptions

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires us to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as on 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 (1) the fair value of derivative financial instruments; (2) impairment of goodwill; (3) impairment of long lived assets and other intangible assets; (4) impairment and assessment of consolidation of equity investments; (5) actuarial assumptions related to pension and other postretirement benefit plans; (6) tax uncertainties and valuation allowances; and (7) 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 consolidated 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.

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 direct parent, Novelis Inc. and our ultimate parent, Hindalco Industries Limited, and those consolidated financial statements are publicly available.

U.S. Generally Accepted Accounting Principles (U.S. GAAP) require 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 Novelis Holdings Inc. 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.

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.

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.

Business Acquisition and Other Integration Related Costs

"Business acquisition and other integration related costs" include expenses associated with the acquisition of Aleris Corporation (Aleris), which closed on April 14, 2020. The expenses consist of the costs incurred related to the transaction and to the integration of Aleris subsequent to the acquisition.

Investments in Subsidiaries

For purposes of these standalone financial statements, we account for our investments in subsidiaries using the cost method. See Note 2 - Investments in Subsidiaries and Related Party Transactions for further discussion.

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 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. See Note 3 — Income Taxes for further discussion.

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 Novelis Holdings Inc. would not otherwise have realized the attributes on a stand-alone basis.

Operating Guarantees

We have issued guarantees on behalf of certain of Novelis Corporation's subsidiaries. The indebtedness guaranteed is for trade accounts payable to third parties. Some of the guarantees have annual terms while others have no expiration and have termination notice requirements. Neither we nor any of the other subsidiaries hold any assets of any third parties as collateral to offset the potential settlement of these guarantees.

Guarantees of Indebtedness

On September 14, 2016, Novelis Corporation issued $1.5 billion in aggregate principal amount of 5.875% Senior Notes Due 2026 (the 2026 Notes). The 2026 Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries.

In January 2020, Novelis Corporation issued $1.6 billion in aggregate principal amount of 4.75% Senior Notes due 2030 (the 2030 Notes, together with the 2026 Notes, the Notes). The 2030 Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries.

In March 2021, Novelis Sheet Ingot GmbH, an indirect wholly owned subsidiary of Novelis Inc., organized under the laws of Ireland, issued €500 million in aggregate principal amount 3.375% Senior Notes due 2029 (the "2029 Senior Notes" and together with the 2026 Senior Notes and the 2030 Senior Notes, the "Senior Notes"). The 2030 Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries.

The Notes contain customary covenants and events of default that will limit our ability and, in certain instances, the ability of certain of our subsidiaries to (1) incur additional debt and provide additional guarantees, (2) pay dividends or return capital beyond certain amounts and make other restricted payments, (3) create or permit certain liens, (4) make certain asset sales, (5) use the proceeds from the sales of assets and subsidiary stock, (6) create or permit restrictions on the ability of certain of the Company's subsidiaries to pay dividends or make other distributions to the Company, (7) engage in certain transactions with affiliates, (8) enter into sale and leaseback transactions, (9) designate subsidiaries as unrestricted subsidiaries and (10) consolidate, merge or transfer all or substantially all of our assets and the assets of certain of our subsidiaries. During any future period in which either Standard & Poor's Ratings Group, Inc. or Moody's Investors Service, Inc. have assigned an investment grade credit rating to the Notes and no default or event of default under the indenture has occurred and is continuing, most of the covenants will be suspended. The Notes include a cross-acceleration event of default triggered if (1) any other indebtedness with an aggregate principal amount of more than $100 million is (1) accelerated prior to its maturity or (2) not repaid at its maturity. The Senior Notes also contain customary call protection provisions for our bondholders that extend through September 2024 for the 2026 Senior Notes, through April 2025 for the 2029 Notes, and through January 2028 for the 2030 Senior Notes.

2. INVESTMENTS IN SUBSIDIARIES AND RELATED PARTY TRANSACTIONS

The following table summarizes our ownership percentage of our subsidiaries in which we have an investment as of March 31, 2021 and March 31, 2020 (in thousands).

	March 31,		Participation
	2021	2020	
Shareholdings - Common Stock			
Novelis Corporation	$ 325	$ 325	100.00%
Aleris Corporation	1,511,197	-	100.00%
Novelis Global Employment Organization	-	-	100.00%
	$ 1,511,522	$ 325	

On April 14, 2020, the Company completed its acquisition of 100% of the issued and outstanding shares of Aleris Corporation, a global supplier of rolled aluminum products, pursuant to an Agreement and Plan of Merger, dated as of July 26, 2018. As a result, the acquisition increases the company's footprint as an aluminum rolled products manufacturer by expanding the portfolio of services provided to its customers.

Included in the accompanying financial statements are transactions and balances arising from business we conduct with wholly-owned subsidiaries and majority owned subsidiaries over which we exercise control, 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	2020
Accounts payable - related party	$ 11,528	$ 4,858
Other long-term assets - related party	6,303	246,944
Accounts receivable - related party	-	64,012
Long-term debt - net of current portion - related parties	1,173,786	146,519

Below is interest income related to the long term loans we have made to Novelis Corporation, which is shown as related party in the accompanying statement of operations (in thousands).

	March 31,	
	2021	2020
Interest income - related party	$ (2,601)	$ (15,888)

3. DEBT

Debt consists of the following (in thousands).

	March 31, 2021				March 31, 2020		
	Interest Rates (A)	Principal	Unamortized Carrying Value Adjustments	Carrying Value	Principal	Unamortized Carrying Value Adjustments	Carrying Value
Related party debt (B):							-
Short term borrowings - related parties		$ 200,252	$ -	$ 200,252	$ -	$ -	$ -
Fixed rate debt due December 17, 2022	3.25%	1,173,786	-	1,173,786	146,519	-	146,519
Total debt —related party		1,374,038	-	1,374,038	146,519	-	146,519
Less: Short term borrowings		(200,252)	-	(200,252)	-	-	-
Current portion of long term debt		-	-	-	-	-	-
Long-term debt, net of current portion — related party:		$ 1,173,786	$ -	$ 1,173,786	$ 146,519	$ -	$ 146,519

(A) Interest rates are the stated rates of interest on the debt instrument (not the effective interest rate) as of March 31, 2021. We present stated rates of interest because they reflect the rate at which cash will be paid for future debt service.

(B) This represents related party debt with Novelis Corp.

Principal repayment requirements for our total debt over the next five years and thereafter are as follows (in thousands).

March 31, 2021	Amount
Short-term borrowings and Current portion of long term debt due within one year	$ 200,252
2 years	1,173,786
3 years	-
4 years	-
5 years	-
Thereafter	-
Total	$ 1,374,038

4. CURRENCY (GAINS) LOSSES

The following currency (gains) losses are included in "Other income, net" in the accompanying statements of operations (in thousands).

	Year ended March 31,	
	2021	2020
Loss (gain) on remeasurement of monetary assets and liabilities, net	$ (6,004)	$ -
Loss released from accumulated other comprehensive loss	-	-
(Gain) loss recognized on balance sheet remeasurement currency exchange contracts, net	-	-
Currency (gains) losses, net	$ (6,004)	$ -

5. FINANCIAL INSTRUMENTS AND COMMODITY CONTRACTS

The gross fair values of our financial instruments and commodity contracts are as follows (in thousands):

	March 31, 2021				
	Assets		Liabilities		Net Fair Value
	Current	Noncurrent	Current	Noncurrent	Assets/(Liabilities)
Metal contracts	$ -	$ -	$ -	$ -	$ -
Currency exchange contracts	-	-	(6,223)	-	(6,223)
Energy contracts	-	-	-	-	-
Total derivative fair value	$ -	$ -	$ (6,223)	$ -	$ (6,223)

	March 31, 2020				
	Assets		Liabilities		Net Fair Value
	Current	Noncurrent	Current	Noncurrent	Assets/(Liabilities)
Metal contracts	$ -	$ -	$ -	$ -	$ -
Currency exchange contracts	-	-	-	-	-
Energy contracts	-	-	-	-	-
Total derivative fair value	$ -	$ -	$ -	$ -	$ -

Foreign Currency

We use foreign exchange forward contracts, cross-currency swaps and options to manage our exposure to changes in exchange rates. These exposures arise from recorded assets and liabilities, firm commitments and forecasted cash flows denominated in currencies other than the functional currency of certain operations.

As of March 31, 2021 foreign currency exchange contracts with a total notional amount of $202 million. Contracts that represent the majority of notional amounts hedge expected future foreign currency transactions, which include forecasted cash flows. These contracts cover the same periods as known or expected exposures and have a maximum and average duration of 12 months.

Gain (Loss) Recognition

The following table summarizes the losses associated with the change in fair value of derivative instruments recognized in “Unrealized losses on change in fair value of derivative instruments” (in thousands).

	Year Ended March 31,	
	2021	2020
Derivative Instruments		
Metal contracts	$ -	$ -
Currency exchange contracts	(6,223)	-
Energy contracts	-	-
Interest rate swaps	-	-
Loss on change in fair value of derivative instruments, net	$ (6,223)	$ -

6. FAIR VALUE MEASUREMENTS

We record certain assets and liabilities, primarily derivative instruments, on our balance sheets at fair value. We also disclose the fair values of certain financial instruments, including debt and loans receivable, which are not recorded at fair value. Our objective in measuring fair value is to estimate an exit price in an orderly transaction between market participants on the measurement date. We consider factors such as liquidity, bid/offer spreads and nonperformance risk, including our own nonperformance risk, in measuring fair value. We use observable market inputs wherever possible. To the extent that observable market inputs are not available, our fair value measurements will reflect the assumptions we used. We grade the level of the inputs and assumptions used according to a three-tier hierarchy:

Level 1 — Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities we have the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — Unobservable inputs for which there is little or no market data, which require us to develop our own assumptions based on the best information available as what market participants would use in pricing the asset or liability.

The following section describes the valuation methodologies we used to measure our various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified.

Derivative Contracts

For certain derivative contracts that have fair values based upon trades in liquid markets, such as aluminum, foreign exchange validation, natural gas and diesel fuel forward contracts and options, valuation model inputs can generally be verified and valuation techniques do not involve significant judgment. The fair values of such financial instruments are generally classified within Level 2 of the fair value hierarchy.

The majority of our derivative contracts are valued using industry-standard models that use observable market inputs as their basis, such as time value, forward interest rates, volatility factors, and current (spot) and forward market prices. We generally classify these instruments within Level 2 of the valuation hierarchy. Such derivatives include cross-currency swaps, foreign currency contracts, aluminum derivative contracts, natural gas and diesel fuel forward contracts.

We classify derivative contracts that are valued based on models with significant unobservable market inputs as Level 3 of the valuation hierarchy. Forward prices are not observable for this market, so we must make certain assumptions based on available information we believe to be relevant to market participants. We use observable forward prices for a geographically nearby market and adjust for 1) historical spreads between the cash prices of the two markets, and 2) historical spreads between retail and wholesale prices.

For Level 2 and 3 of the fair value hierarchy, where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations (nonperformance risk). We regularly monitor these factors along with significant market inputs and assumptions used in our fair value measurements and evaluate the level of the valuation input according to the fair value hierarchy. This may result in a transfer between levels in the hierarchy from period to period. As of March 31, 2021 and March 31, 2020, we did not have any Level 1 derivative contracts. No amounts were transferred between levels in the fair value hierarchy.

All of the Company's derivative instruments are carried at fair value in the statements of financial position prior to considering master netting agreements.

The following table presents our derivative assets and liabilities which were measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of March 31, 2021 and March 31, 2020 (in thousands). The table below also discloses the net fair value of the derivative instruments after considering the impact of master netting agreements.

	March 31,			
	2021		2020	
	Assets	Liabilities	Assets	Liabilities
Level 2 Instruments				
Aluminum contracts	$ -	$ -	$ -	$ -
Currency exchange contracts	-	(6,223)	-	-
Total Level 2 Instruments	-	(6,223)	-	-
Total gross	$ -	$ (6,223)	$ -	$ -
Netting adjustment (A)	-	-	-	-
Total net	$ -	$ (6,223)	$ -	$ -

(A) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions with the same counterparties.

Financial Instruments Not Recorded at Fair Value

The table below presents the estimated fair value of certain financial instruments not recorded at fair value on a recurring basis (in thousands). The table excludes short-term financial assets and liabilities for which we believe carrying value approximates fair value. We value long-term receivables and long-term debt using Level 2 inputs. Valuations are based on either market and/or broker ask prices when available or on a standard credit adjusted discounted cash flow model using market observable inputs.

	March 31,			
	2021		2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities				
Total debt — third parties (excluding short term borrowings)	-	-	-	-
Total debt — related parties (excluding short term borrowings)	1,173,786	1,173,786	-	-

7. 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 to United States federal and state income taxes. The domestic components of our "Loss before income taxes" are as follows (in thousands).

	Year Ended March 31,	
	2021	2020
Domestic (US)	$ (48,146)	$ (77,671)
Pre-tax loss	$ (48,146)	$ (77,671)

The components of the "Income tax benefit" are as follows (in thousands).

	Year Ended March 31,	
	2021	2020
Current benefit:		
Federal	$ 1,974	$ (9,435)
State	(3,512)	(1,975)
Total current	(1,538)	(11,410)
Deferred benefit:		
Federal	(9,300)	(532)
State	1,463	448
Total deferred	(7,837)	(84)
Income tax benefit	$ (9,375)	$ (11,494)

President Biden and Senate Finance Committee Chairman Ron Wyden have set forth several tax proposals that would, if enacted into law, make significant changes to U.S. tax laws. We will continue to evaluate the overall impact of these tax proposals on our effective tax rate and balance sheet.

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.

At March 31, 2021, the Company had total deferred tax assets of approximately $55 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards. At March 31, 2020, the Company had total deferred tax assets of approximately $48 million primarily arising from book reserves not deductible for tax and net operating loss carryforwards.

At March 31, 2021, we had net operating loss carryforwards of approximately $46 million (tax effected). At March 31, 2021, valuation allowances of $38 million and $1 million had been recorded against net operating loss carryforwards and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized.

At March 31, 2020, we had net operating loss carryforwards of approximately $39 million (tax effected). At March 31, 2020, valuation allowances of $37 million and $1 million had been recorded against net operating

loss carryforwards and other deferred tax assets, respectively, where it appeared more likely than not that such benefits will not be realized.

Although realization is not assured, management believes it is more likely than not that all the remaining net deferred tax assets will be realized. In the near term, the amount of deferred tax assets considered realizable could be reduced if we do not generate sufficient taxable income in certain jurisdictions.

Novelis Holdings Inc. is part of a US consolidated group for tax filing purposes. As such, certain tax attributes recognized in the company's standalone financial statements, such as net operating losses and tax credit carryforwards, may be available and absorbed by other entities in the company's consolidated tax return group.