Mr. Aditya Vikram Birla

We live by his values
Integrity, Commitment, Passion, Seamlessness and Speed
“Dear Shareholder”,

Covid-19 and the associated lockdowns across countries have triggered a once-in-a-century crisis for the society and the economy in 2020. January now seems like a month of a bygone era — such has been the enormity of change. This is a defining period in human and business history: one that will test the resilience of individuals, societies, corporations, and nations.

Given the fog of uncertainty all around, it is hard to be prescient in these times. But there is little doubt on one reality: companies with quality leadership, sound business fundamentals, and a track record of winning in turbulent times, will emerge as champions in the new global order.

GLOBAL ECONOMY

It has been several months since the pandemic engulfed the world and yet there is a lot of uncertainty with respect to the extent of the economic contraction due to this crisis, and the subsequent pace of recovery.

This year will see an economic contraction, but this 2020 recession is turning out very different from the past recessions. It has been too sudden — almost off the cliff; its spread has been all-encompassing — affecting almost every economy and sector, and the plunge in economic activity levels and employment has been unprecedented.

On the positive side, this recession is likely to be one of the shortest, assuming no second wave of the pandemic recurs. As present lockdowns around the world get lifted, and businesses reopen, economic activity is likely to bounce back fairly quickly. Around $9-trillion stimulus from different governments globally will help to support this recovery, along with the monetary actions by Central banks. These policies will also help to restrict the second-order effects like defaults and bankruptcies.
Some scars of the crisis will remain in the form of subdued consumer and business confidence. Some sectors, like airlines and hospitality, will take time to recover fully. And some supply chain disruption effects will linger. The International Monetary Fund (IMF) and other agencies are predicting that it could take about 5-6 quarters for global GDP to inch back to pre-crisis levels, and the global economic trajectory thereafter will be below the Pre-Covid trajectory for the next few years.

As the world emerges from the current crisis, the next few years are likely to be marked by lack of buoyancy in growth, subdued commodity prices and inflation, a cautious trend in project investments, heightened risks of de-globalisation and political uncertainty; and increased dependence of financial systems on ultra-loose monetary policy conditions. We will also have to watch out for potential post-Covid changes in consumer behaviour (such as more virtual engagements) and of operating models of organisations (such as work-from-home norms, diversification of supply chain risks, more use of e-commerce).

**INDIAN ECONOMY**

Covid-19 struck India at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system.

Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of FY20 and remained active to varying degrees in different geographies through most of the Q1 of FY21. It is estimated that about 80% of India’s GDP originates from districts which were classified under the red and orange zones during the lockdown, where economic activity remained severely constrained.

Correspondingly, India’s GDP is likely to contract in FY21, which would be the first such instance in over four decades. The contraction is estimated to be particularly severe during Q1.

Responding to this challenge, both the Reserve Bank of India (RBI) and Government of India announced several policy measures to provide relief to the affected sections of the economy, to reduce the possibility of business failures and to support the process of recovery. Government has initiated some remarkable reforms in agriculture, mining, and public sector enterprises. Such pragmatic policies – along with the ambitious National Infrastructure Pipeline program that the Government had announced in December 2019 – will support India’s medium-term growth rebound. In the interim, however, the Indian economy – like the global economy – will need to navigate through some difficult quarters.

**ABG IN PERSPECTIVE**

Over a longer historical arc, the Aditya Birla Group has witnessed dramatic disruptions across periods, businesses, and geographies. And yet, we have come out stronger always. A wide range of insights and experiences accumulated over diverse situations, allows the Group to fortify its businesses from both the immediate and the lingering effects of economic pain, caused by the pandemic.

In these turbulent and dynamic times, the Group’s near-term focus is to hold the ship steady and to see it through the turbulence – by emphasising on conservation of cash, the safety of its teams and assets, and strengthening its business relationships. The Aditya Birla Group is also closely examining the evolving changes in the business environment and their implications, to position itself well for leveraging the opportunities through and after the economic revival.

As the events began to unfold worldwide in the last quarter of the financial year, we anchored to our core strengths – our people, our processes, and our agility. In line with the Group’s core philosophy of employee care and wellbeing, swift action was taken to shut down our offices, manufacturing units, retail outlets and branches— where necessary; and recalibrate
operations where feasible. Overnight, everyone switched to a new paradigm of work from home and adopted digital technology seamlessly. This is not an easy transition for large, diverse global organisations. But it was made possible due to the adaptability and commitment of our employees, discipline of the leadership, strong processes, and past investments in digital technologies. Our culture of learning hugely supported this quick switch over. A multi-generational workforce was an added advantage; as the younger digital-native employees played a reverse mentor role in guiding the older employees to become digitally savvy; the older employees enabled others to stay calm, focused and productive in difficult times. Continuous listening to employees through pulse surveys and guiding them to Make the Most of the situation led to a productive and winning mindset. A pulse survey conducted with ABGites showed an assuring trend – 86% were confident about delivering their Q1 goals of the new fiscal.

Faced with an unprecedented nationwide lockdown, our group businesses proactively created ‘Business Continuity Plans’ working through different scenarios. Our teams engaged deeply and meaningfully with customers and value chain partners to support them better in these extraordinary times.

Over the last few months, business models have been reassessed, to identify strategic and tactical opportunities to improve effectiveness, prune avoidable costs as well as prepare for the new normal. New opportunities are continuously being ideated and explored. For example, Aditya Birla Fashion and Retail has made an emphatic foray into masks, our Chemicals Business is producing disinfectants, and the Fibre Business is manufacturing antibacterial fibre.

The pandemic has also accelerated our shift to digitization across businesses. A new wave of digital energy is being unleashed with a clear focus on getting closer to our customers.

Our Group businesses are also leaving no stone unturned in redefining workplace hygiene. Every business has implemented new standards of safe working with guidelines for social distancing and zero-touch interactions. Similar protocols have been created for safe and superior customer engagements. We believe that things will continue to be dynamic and uncertain in the coming months. Even as we open offices and factories with protocols to put employee safety at the forefront and enhance productivity, we will continue to leverage our strength of adaptability and agility.

A crisis of such magnitude is a great reminder of our responsibility to give back to society. True to its legacy, ABG has curated a multi-pronged approach to help our communities fight Covid-19, with a commitment of over ₹ 500 Crore towards Covid relief measures. This entailed a contribution of ₹ 400 Crore to the PM-CARES Fund. In addition, we have also leveraged the capabilities of our apparel business to commence the production of one million triple-layer surgical masks and 100,000 coverall garments. Several hundred thousand food packets, provisions and disinfectants have been distributed to the needy across the country. Given the depth of our presence in India, we have also earmarked over 300 beds for Covid-19 patients at our network of hospitals in our units.

This unflinching support to our employees, communities and other stakeholders is core to our DNA and will enable our long-term, sustainable growth.

**YOUR COMPANY’S PERFORMANCE**

The metal industry, and particularly aluminium and copper sectors, faced a volatile and challenging year in fiscal 2019-20. The subdued growth in CY2019 was a result of rising trade barriers, uncertainty surrounding trade and geopolitics and region-specific structural factors. The impact of Covid-19 on global growth since March 2020 has further depressed the economic outlook for the year ahead.
Your Company registered a strong consolidated performance in FY2019-20, reflecting its resilience to withstand market cycles. This spirited show was driven by a continued record performance from Novelis, coupled with stable performance of the Indian aluminium and copper businesses.

Your Company reported a consolidated EBITDA of ₹ 15,536 Crore on a turnover of ₹ 1,18,144 Crore in FY2019-20. Your Company’s aluminium and copper business in India, and Novelis continued to deliver steady operational performance, despite lower LME and tough market conditions. The major enablers were lower input prices and better cost efficiencies. Your Company (including Utkal) continued to achieve record aluminium production levels at 1.314 Mt and alumina production of 2.735 Mt in FY2019-20. Utkal Alumina also registered its best ever production in FY2019-20. All plants operated at their designed capacities. Production of aluminium value-added products (excluding wire rods) stood at 319 Kt in FY2019-20 reflecting a flattish growth y-o-y and your Company’s focus on strengthening its downstream portfolio to become further delinked from LME volatility.

In the copper business, cathode production was 321 Kt, lower compared to the year earlier due to loss of production because of lockdown and plant shutdown in the month of March 2020. Continuous Cast Rod production was at a record high of 263 Kt, up 7% y-o-y because of continuous ramp-up of the CCR#3 plant at Dahej.

Novelis reported yet another remarkable performance this year with a record adjusted EBITDA of $1.472 billion, an increase of 8%. Adjusted EBITDA/tonne of $450 was also the highest ever. Novelis continues to improve its product mix with the share of beverage can sheet at 66% and automotive body sheets at 19% in FY2019-20. Your Company reported the share of recycled contents at 60% in FY2019-20, and this has been continuously rising with Novelis emerging as the world’s largest recycler.

Your Company continues to focus on strengthening the balance sheet, with the consolidated net debt to EBITDA dropping to 2.61x at the end of March 2020.

On 14th April 2020, your Company completed the acquisition of Aleris at an enterprise value of $2.8 billion. The Divestment procedures for Aleris’ automotive assets are underway. This acquisition will allow further product diversification for Novelis, with the addition of high aerospace and expanded speciality capabilities, while cementing your Company’s position as the leading aluminium value-added player in the world.

CONCLUSION

FY20 is not just another fiscal. Never has the transition between two financial years been as tumultuous for the global economy. The pandemic is no doubt, a sobering reminder of how the world can change in unforeseeable ways.

As Covid-19 gets quelled and the global economy reawakens, endurance will pave the way for renewal — for individuals and corporations alike. When we emerge from the coronavirus, I have no doubt that the world will recognise and celebrate corporations that are exemplars of good governance and sustainable growth. You can count on your Company as being one of them.

Yours sincerely,

Kumar Mangalam Birla
Chairman
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OUR MANUFACTURING FACILITIES

Designed for excellence

Novelis Inc.
North America
1. US
Kentucky, West Virginia, Georgia, New York, Indiana and Ohio
2. Canada
Ontario
South America
3. Brazil

Europe and the UK
4. Germany

Asia
5. UK
6. Switzerland
7. Italy
8. China
9. South Korea

Note: Maps not to scale
MESSAGE FROM THE MANAGING DIRECTOR

Dear Stakeholders,

For the aluminium and copper industry, fiscal 2020 was characterised by the turbulence caused by the ongoing US-China trade war, the price volatility on the London Metal Exchange and the impact of Covid-19 on global trade and markets. Despite these headwinds, Hindalco stood out and delivered a strong performance. It was a clear demonstration of how Hindalco’s sustained focus on cost control, operational efficiencies and future-proofing the business model has served to energise our performance.

We recorded yet another year of best-ever financial and operational results, bolstered by a record performance by Novelis and stability in the Indian businesses. Our performance was driven by the highest-ever production and shipment of aluminium upstream and copper value-added products coupled with higher shipments of beverage cans by Novelis.

Our EBITDA margins in FY20 were one of the best in the industry. Our balance sheet continues to strengthen and we brought down the consolidated Net Debt-to-EBITDA to 2.61 times at the end of FY 2020. This was a validation of our core strategies and objectives and exemplified the success of our integrated business model. It is also a testament to our consistent focus on operational excellence and our commitment to creating long-term value for all our stakeholders.

DELIVERING VALUE CONSISTENTLY

FY20 was a remarkable year with Novelis delivering its best-ever performance and the domestic aluminium business showing sustained performance. As a result, we crossed a number of operational and financial milestones, clocking the highest-ever:

- Metal production of 1,314 Kt and sales of 1,290 Kt for Hindalco Aluminium
- EBITDA margin at an industry high of 17% for Hindalco
- Adjusted EBITDA of $1,472 million at Novelis
- Adjusted EBITDA/tonne of $450 at Novelis
Our downstream strategy of reducing our exposure to LME price fluctuations and increasing the share of value-added products across businesses is playing out well. In FY 2019-20, we have succeeded in delinking ~80% of Hindalco’s consolidated EBITDA from the LME. In keeping with our sustainable business model, we are steadily scaling up the downstream product business to achieve robust sales volumes for value-added products. The India Aluminium VAP Sales were maintained at 24% of the total metal sales in FY20.

In the Copper business, the shift towards value-added products like copper rods gained momentum. The production and sales of copper rods was at an all-time high with the continuous ramp-up of the Continuous Cast Rod-3 (CCR-3) facility.

Novelis reported yet another year of record performance with best-ever adjusted EBITDA and EBITDA per ton in FY2019-20. Adjusted EBITDA grew 8% to a record $1.472 billion. This performance was mainly driven by its portfolio optimisation, better cost efficiencies, favourable product mix, innovations, customer centricity and favourable demand for lightweight, sustainable aluminium solutions across end-markets.

Novelis leveraged its extensive recycling footprint to increase recycled content in its shipments to 60% in FY 2019-20. Beverage can sheet shipments increased from 63% in FY 2018-19 to 66% in FY 2019-20. Novelis’ expansion projects -- at Guthrie, Kentucky, in Changzhou, China, and in Brazil -- are progressing well; these will help meet the fast-growing demand for lightweight automotive body sheets and sustainable packaging.

AN EYE TO THE FUTURE

Our focus on innovation for improving our product mix will help us fortify our leadership position in the value-added segment. Our intent is to double the share of value-added products in the domestic aluminium business. The capacity expansions at Utkal Alumina and focus on copper value-added products will enable us to tap growing opportunities in the power, consumer durables and household segments.

Hindalco’s broad vision is to achieve balanced, sustainable growth across our upstream and downstream businesses. A big enabler is the upstream of the Alcocolis acquisition on April 14, 2020, which marks our entry into the high-value, high-potential aerospace and building & construction segments. It also raises our product profile with the addition of aerospace segment to become the world’s leading aluminium value-added player.

BIG STRIDES TOWARDS A GREENER TOMORROW

With our sustainability-first approach to business, Hindalco has taken several pioneering steps towards a greener, stronger, smarter world. To meet the growing needs of the EV market, Novelis developed the world’s first aluminium sheet battery enclosure. Weighing substantially less than an equivalent steel design, it is the most cost-effective solution for mass production EV vehicles.

Another example of our sustainability thinking is our proactive and pioneering development of the eco-friendly all-aluminium trailer for the logistics and freight industries. Made from high-strength aluminium alloy, Hindalco’s 34-foot long aluminium trailer is 50% lighter, saves over 15,000 litres of fuel, and emits 25 tons less GHGs.

As a step towards reducing plastic waste, Hindalco innovated India’s first aluminium-foil-laminated jute bags as a food packaging solution to replace the thousands of plastic bags used at the iconic Tirupati temple in Andhra Pradesh.

Bauxite residue disposal is a global concern, and Hindalco has identified a circular economy solution where the residue is used as an input to the construction industry. We now supply bauxite residue to 40 cement plants in India, where it replaces mined minerals such as laterite and lithomarge. We are the first aluminium company in the world to have enabled such large-scale commercial application for bauxite residue.

Hindalco’s sustainability initiatives were recognised by its inclusion in the Dow Jones Sustainability Index (DJSI) 2019 in the Emerging Markets category. Its DJSI score places Hindalco among the world’s top three aluminium companies. It is one of 12 companies from India to make the list and the only aluminium manufacturer to be included.

WORKING FOR SAFER COMMUNITIES

During the Covid lockdown in India, Hindalco continued to serve its customers in essential industries. We achieved this tough target by reorienting supply chains to offer uninterrupted supplies from our warehouses and operating plants.

Hindalco produced aluminium foil for critical needs such as pharmaceutical packaging of Chloroquine Phosphate and Hydroxychloroquine sulphate tablets and other important Covid drugs. Our aluminium was used in manufacturing components of life-saving ventilators, components of X-ray and CT scan machines, Covid testing booths and other hospital equipment, Personal Protection Equipment (PPE) kits and sanitiser stands.

The safety of our employees, associates, communities and all other stakeholders has always been a high priority and is integrated into the core of our business. During the pandemic, Hindalco-Novelis continued to prioritise the health and safety of the workforce. Measures taken included providing work-from-home option to majority of employees
MESSAGE FROM THE MANAGING DIRECTOR (continued)

in offices, running plant operations with reduced staff, moving a number of employees into the plants to minimise travel, staggering shifts in plants, following strict social distancing, hygiene and safety protocols, and ensuring rigorous cleaning and sanitisation of all facilities, colonies, staff buses, etc. Hindalco continues to take all possible precautions to control the spread of infection.

In the midst of the pandemic, we rose to meet our social responsibilities, with initiatives for distribution of food and essential items, and sanitisation of communities close to our plants. Beyond business, our social investments in India have led us to touch lives of 1.1 million people belonging to 655 villages in 11 states. For FY 19 - 20, our CSR spend in India was ₹63.65 crore. In addition, we mobilised over ₹85.77 crore through Government schemes. We were indeed proud to receive the Government of India’s National CSR Award in recognition of our initiatives in skilling and livelihoods.

OUR PEOPLE, OUR PRIDE

The pandemic helped show the true mettle of our employees. I am proud of the way our people rallied around and displayed remarkable fortitude in highly challenging circumstances.

Keeping in mind the new normal, we are continually working on our Employee Value Proposition and innovating our programs and initiatives for holistic employee development. We have designed multiple online programs on both behavioural/leadership and functional/technical aspects. We have extended our potential assessment process to a broader employee population now so as to create a bigger talent pool and provide more career opportunities. Our HR Business Partners model has strengthened our strategic focus on talent management, capability building, and driving performance.

We have also focused on increased development conversations as well as regular feedback. The Hindalco Technical University plays a key role in building functional capabilities. Our internal recognition platforms PRIDE and PRAISE continue to motivate and engage our teams and individuals. We also drive several employee wellness initiatives that help create supportive environments for our people.

We are confident that our sustainable business model and the critical strategic investments that we have taken will strengthen and future proof the business. While volatile environments will continue to test the industry, I am confident that following our Purpose will help us to stand strong and raise our performance above the sector. There are great opportunities in front of us as we work to build a greener, stronger, smarter future for all. I would like to express my gratitude to our stakeholders for your belief in us, and I seek your continued support.

Yours sincerely,

Satish Pai
Managing Director
CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Directors

Mr. Kumar Mangalam Birla
Chairman

Mrs. Rajashree Birla

Mr. Debnarayan Bhattacharya
Vice Chairman

Mr. Madhukar Manilal Bhagat (till 30th August, 2019)

Mr. Kailash Nath Bhandari

Mr. Askaran Agarwala

Mr. Yazdi Dandiwala

Mr. Ram Charan (till 14th August, 2020)

Mr. Girish Dave (till 11th November, 2019)

Ms. Alka Bharucha

Mr. Vikas Balia (w.e.f. 19th July, 2019)

Mr. Sudhir Mital (w.e.f 11th November, 2019)

Mr. Anant Maheshwari (w.e.f 14th August, 2020)

Executive Directors

Mr. Satish Pai
Managing Director

Mr. Praveen Kumar Maheshwari
Chief Financial Officer & CEO (Copper Business)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Anil Malik

CORPORATE

Mr. Samik Basu
Chief Human Resources Officer

Mr. Bibhu Prasad Mishra
President & Head Manufacturing Centre of Excellence

Mr. V. R. Shankar
President & Head-Legal

Mr. Aniruddha Kulkarni
Chief Strategy Officer

BUSINESS/UNIT HEADS

Mr. Devotosh K. Das
Chief Marketing Officer (Aluminium)

Mr. A. Krishna Kumar
President & Head-Chemicals & Specialties Business

Mr. Satish Jajoo
Chief Operating Officer & Cluster Head
(Renukoot, Renusagar and Mahan Units)

Mr. B. Arun Kumar
President (Downstream Operations-Aluminium)

Mr. Rajesh Gupta
Senior President & Cluster Head
(Aditya and Hirakud Units)

Mr. Pramod Unde
President (Mining and Minerals)

SUBSIDIARIES

Utkal Alumina International Limited
Mr. Nagesh Narisetty
President & Unit Head

Novelis Inc.
Mr. Steve Fisher
President & CEO

AUDITORS

Price Waterhouse & Co Chartered Accountants LLP

COST AUDITORS

R. Nanabhoy & Co., Mumbai
AWARDS & ACCOLADES
ANNUAL REPORT 2019-20 CORPORATE

- Silver Shield for Excellence in Financial Reporting for FY2018-19 awarded by The Institute of Chartered Accountants of India (ICAI).
- CII ITC Sustainability Award 2019 – Commendation for significant achievement under Corporate Excellence category.
- Hindalco Everlast was voted a ‘Superbrand FY19-20’ by consumers in the Aluminium Roofing Category. The consumer poll, conducted by Superbrands India along with Nielson, witnessed participation from more than 18,000 consumers, who voted for their preferred brands.

ADITYA ALUMINIUM

- Presented the 7th FICCI Quality Excellence Award (Platinum Prize 1st) for Industry by the Federation of Indian Chambers of Commerce & Industry, Delhi, for excellence in Quality process in April 2019.
- Platinum Award presented by Frost & Sullivan for Future Ready Factory of the Year presented in December 2019.
- The CII Eastern Regional Productivity Award presented by the Chairman CII Eastern region for contribution in the areas of Productivity in January 2020.

MAHAN ALUMINIUM

- India Manufacturing Excellence Award 2019 presented by Frost & Sullivan for being selected as the Future Ready Factory of the year.
- Best Performance Award 2019 presented by the Indian Institute of Metals.
- CII Award for Customer Obsession in ‘Active Customer Engagement’ category.
- CSR Impact Award presented by Dalmia Bharat CSR BOX for imparting quality education for the community.
- CSR Times Award presented at National CSR Summit 2019 for CSR work in the field of livelihood programmes.
- Certified by CII as Energy Efficient Unit 2019.
• Platinum Award for HR Excellence 2019 presented by Apex India Foundation.
• Numerous prizes won during CII TPM Club competitions for Kaizen, Human Mistake Proofing and Energy Efficiency Circle Competition.
• India CSR Gold Award 2019.
• FAME (Foundation for Accelerated Mass Empowerment) CSR Excellence award in 2019 Platinum category for excellence in “Quality Education Projects”.
• People First HR Excellence Platinum Award.
• Employee Engagement Platinum Award 2019 presented by HR Association of India.

RENUKOOT
• First National CSR Award presented by the Ministry of Corporate Affairs, the highest recognition in the domain of CSR by the Government of India. The award recognizes Hindalco's contribution to India’s national priority areas – skill development and livelihoods.
• CSR Health Impact Award-2019 presented by the I.S.W. Council, New Delhi.

RENUSAGAR
• CII Excellent Energy Efficient Award -2019.
• CII National Award for Excellence in Water Management 2019.
• Seem National Energy Management Award 2019 for excellent efforts towards energy conservation by Society of Energy Engineers and Managers.
• Four Quality Circle teams bagged “Par Excellence” & “Excellence" awards during 33rd National Convention on Quality Concepts-NCQC 2019 held at IIT BHU Varanasi by QCFI.
• Four Quality Circle teams bagged “Gold Award” during Varanasi Centre Convention on Quality Concepts-VRCCQC 2019 held at Varanasi by QCFI.

Greener. Stronger. Smarter
AWARDS & ACCOLADES
ANNUAL REPORT 2019-20 CORPORATE (continued)

JHARKHAND MINES - LOHARDAGA
- FAME Platinum Award 2019 for Best CSR for Lohardaga Mines, for the outstanding Project on Community Development.
- NMDC Award for Social Awareness 2018-19 for Bhusar Bauxite Mines, presented by the Federation of Indian Mineral Industries (FIMI), New Delhi, for significant contribution to socio-economic development of the host community.
- “National Safety Award (Mining)” for the Year 2015 & 2016 presented in December 2019 to Jalim & Sanai Bauxite Mines at Lohardaga and Samri Bauxite Mines in the category of “Longest Accident-Free Period”.

JHARKHAND MINES - KATHAUTIA
- Awards during the Annual Safety Week Celebrations by Director General of Mines Safety (DGMS) for Overall Performance, Safety Management Plan, Compliance of recommendations of 10th and 11th Safety Conference; Runners up Trophy in Storage & Transportation of Explosives Award.
- CII Award for Excellence in Safety Health & Environment (SHE) and 2nd Runners Up in Safety, Health, Environment & Mining.

GARE PALMA MINES
India CSR award for Sanitation in four Gram Panchayats and safe drinking water supply to one entire Gram Panchayat.

HIRAKUD SMELTER & POWER
- Grow Care India CSR award-2019 in Gold category for Best innovative CSR Project by Grow care India foundation, New Delhi.
- Quality Circle team won awards in Excellence and Par Excellence category of NCQC (National Convention On Quality Concept) 2019 - Varanasi chapter.

ALUPURAM

BELAGAVI
- Frost & Sullivan Sustainability 4.0 Award 2019, Certificate of Merit in Challengers Category.
- Jury Special Mention Award by TERI for initiative on Red Mud Management.

DAHEJ
FAME (Foundation for Accelerated Mass Empowerment) CSR Excellence Platinum award 2019 for excellence in Social Development Projects.
Hindalco Industries Limited, the metals flagship company of the Aditya Birla Group, is the world’s largest aluminium rolling and recycling company, and a major copper player. It is also one of Asia’s largest producers of primary aluminium. In India, the Company’s aluminium manufacturing units comprise the full value chain—from bauxite mining, alumina refining, coal mining, captive power generation and aluminium smelting to downstream value addition of aluminium rolling, extruding and foil making. Hindalco’s copper facility in India comprises a world-class copper smelter, downstream facilities, a fertilizer plant and a captive jetty. The copper smelter is among the world’s largest custom smelters at a single location.

Novelis Inc., Hindalco’s wholly-owned subsidiary is the world’s largest producer of aluminium beverage can stock and the largest recycler of used beverage cans (UBCs). Novelis provides innovative solutions to its customers in the beverage cans, automobile and speciality products segments. It operates an integrated network of technically advanced rolling and recycling facilities across North America, South America, Europe and Asia. Hindalco’s global footprint spans 47 manufacturing units across 10 countries.

In FY 2019-20 the Company delivered a resilient performance in terms of operational stability and financial performance, despite macroeconomic challenges, tough business conditions and global uncertainties. Novelis continued to report its best-ever EBITDA and EBITDA per tonne with stable shipments. Primary aluminium registered its highest ever overall metal sales and Copper clocked its highest ever domestic copper rod sales. Hindalco continued to maintain its strong balance sheet in FY 2019-20, resulting in a consolidated Net Debt-to-EBITDA of 2.61 times at the end of the year.

**KEY INITIATIVES DURING THE YEAR**

Hindalco completed the acquisition of Aleris on 14th April 2020, and the integration process to drive synergies and unlock the long-term value has begun. The divestment procedures for automotive assets in Lewisport in the U.S. and Duffel in Europe is underway. The acquisition of Aleris provides Novelis further product diversification with the addition of high-end aerospace and expanded speciality capabilities. It insulates Hindalco-Novelis from global price volatility and sharpens focus on the downstream business. From being a largely commodity-driven Company, Hindalco has become the world’s largest downstream player.

Novelis, remains committed to advancing all its organic projects, announced its 200Kt automotive finishing facility in Guthrie, Kentucky in the U.S, 100Kt of the auto finishing line in China, a rolling, casting and recycling capacity in Pinda, Brazil and the recycling facility in Greensboro in the U.S.

Novelis successfully issued US$1.6 billion bonds at 4.75% due in CY 2030 and extended debt maturity profile at attractive rates. These proceeds are used to repay existing US$1.15 billion, 6.25% Bonds, due in 2024 with a net interest savings of around US$ 17 million per annum.

Utkal’s Alumina brownfield capacity expansion, by 500 Kt, is expected to be completed in Q4 of FY 2020-21. This will further strengthen the Company’s integration and boost the availability of best-in-class alumina to its aluminium smelters in India.

Hindalco’s focus on a sustainable business model with its downstream strategy of product expansion in India, will nearly double its existing downstream capacity in the next five to six years. This will enhance share of VAP to insulate Consolidated Hindalco from LME volatility further. Hindalco has made certain investments to enhance capacities in the extrusion press and capabilities in VAP products such as Circles and Hard Alloys along with investments in a new scrap furnace at the Hirakud FRP facility.

**1. INDUSTRY ANALYSIS**

1.1 Aluminium Segment and Industry Review

In CY 2019, global economic growth slowed down despite accommodative monetary and expansionary fiscal policies in developed and emerging markets. The growth was subdued as a result of rising trade barriers, uncertainty surrounding trade and geopolitics and region-specific structural factors. The prolonged uncertainty around the resolution of the trade war also dented investments across regions. Only the U.S. economy performed better than expected supported by personal consumption and government spending. Other prominent economies like China, Eurozone, and emerging
nations, including India, witnessed a moderation in economic activities. Chinese economic growth registered its weakest performance since 1992. The Eurozone felt the worst impact of the US-China trade war and uncertainties around Brexit, resulting in dismal economic growth.

The prolonged US-China trade war dampened global economic sentiments with most of the major economies experiencing a slowdown in economic growth. This in turn affected aluminium consumption. In 2019, primary aluminium consumption growth declined to 2% y-o-y from the growth of 3% y-o-y in 2018. The world, excluding China, reported aggregate consumption de-growth of around 4% in 2019, down from 2% in 2018, owing to weakening demand in North America, Japan, Italy, France. Among user industries, only packaging including foil stock recorded around 3% growth y-o-y in 2019 whereas consumption growth declined in sectors like Transportation, Construction, Consumer Durables and Machinery and Equipment sectors.

In CY 2019, China witnessed slowdown due to two issues: first, the trade war with the US and second, coping with moderation in the domestic economy. Consequently, due to a sharp decline in demand from the electrical, transport, and construction sectors, aggregate aluminium consumption de-growth was 1% in CY 2019 from around 2% growth in CY 2018.

Global aluminium production excluding China grew around 1% y-o-y in CY 2019 versus growth of around 2% y-o-y a year ago; production in China declined by 3% y-o-y due to production cuts, as compared to flattish growth in 2018. As a result, overall global production marginally degrew by 1% y-o-y in CY 2019, down from around 1% y-o-y growth in CY 2018. Given the sharper slowdown of global consumption by 2% as against a production slowdown of 1%, the deficit moderated to ~1 Mt. Consequently, global inventories reduced from ~12 Mt in the beginning of CY 2019 to ~11 Mt by the end of CY 2019.

<table>
<thead>
<tr>
<th>Primary Consumption of Aluminium</th>
<th>(Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2015</td>
<td></td>
</tr>
<tr>
<td>CY 2016</td>
<td></td>
</tr>
<tr>
<td>CY 2017</td>
<td></td>
</tr>
<tr>
<td>CY 2018</td>
<td></td>
</tr>
<tr>
<td>CY 2019</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>World Ex China</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td></td>
</tr>
</tbody>
</table>

**FY 2019-20: KEY HIGHLIGHTS**

Achieved
- Record Aluminium metal production at 1,314 Kt
- Record Aluminium metal sales at 1,290 Kt
- Alumina production at 2,735 Kt
- Aluminium value-added products (VAP) in India (excluding wire rods) production at 319 Kt
- Copper rods production at 263 Kt
- Overall shipments in Novelis of 3,273 Kt
- Consolidated Revenue of ₹ 1,18,144 crore
- Consolidated EBITDA of ₹ 15,536 crore
- Consolidated PAT of ₹ 3,767 crore
- Record Adjusted EBITDA in Novelis US$ 1.472 billion
- Record Yearly adjusted EBITDA/ton in Novelis US$ 450
- Recycled inputs in Novelis 60%

*including Utkal, the wholly-owned subsidiary
In CY 2019, due to significant weakness in demand and the ongoing US-China trade war, global aluminium prices continued to plunge from $1,846/t in January 2019 to close at $1,770/t in December 2019. The average value of premiums at Main Japanese Port (MJP), European Rotterdam Ingot duty paid and US Midwest premium in CY 2019 was $99/t, $143/t and $18 cents/lb, versus $117/t, $165/t and $19 Cents/lb, respectively, in CY 2018.

In the domestic market, aluminium production declined by 2% in FY 2019-20 while domestic consumption is estimated to decline by around 6-7%. User industries like Transportation, Electrical and Industrial Machinery Equipment sector saw drop in consumption, while Packaging and Consumer Durables were the major demand drivers. Imports continued to be a concern for domestic players, which accounted for 58% of the market in FY 2019-20. Overall imports including scrap touched ~2.2 Mt in FY 2019-20 from ~2.3 Mt in FY 2018-19.

1.1.1 Outlook:
In CY 2020, the global macroeconomic environment is expected to remain highly volatile due to rising trade tensions between the US and China and the impact of COVID-19. The necessary protection measures imposed because of the pandemic are severely affecting economic activity and causing demand shocks and supply chain disruptions. Consequently, as per the World Bank June '2020 update, the global economy is expected to shrink by 5.2% in CY 2020 compared to 2.4% growth in CY 2019.

The adverse effects of COVID-19 prompted extraordinary stimulus measures from the government. According to a global consulting firm, government' have announced US$ 10 trillion just in the first two months of the pandemic which is thrice what was announced during the 2008-09 global financial crisis. The Central Banks of major economies are taking an accommodative policy stance to aid economic growth.

The global aluminium consumption is seen to be highly correlated with economic growth, and hence, global aluminium consumption growth in CY 2020 may decline by 7% to 8%. Almost all user industries except packaging, are likely to show a declining trend. The sharpest reduction in consumption may be in Transportation, Construction, Consumer Durables and Machinery & Equipment sectors. As China has reportedly recovered from the COVID-19 crisis, the fall in aluminium consumption is expected to be around 1 to 2% and in the world excluding China, this fall is expected to be in the range of 13% to 15% in CY 2020.

As smelting is a continuous process, global aluminium supply is likely to increase marginally by 1% to 63–64 Mt. Production in the world excluding China is expected to drop by around 1% to around 27–28 Mt. Primary aluminium supply in China is likely to grow marginally in the 36–37 Mt range, on the back of ramp-ups at state-owned enterprises.

In CY 2020, with an increase in supply by 1%, and a sharp slowdown in demand by 8% to 10%, the inventories are expected to increase by ~5 Mt by the end of 2020, leading to significant surplus markets. Consequently, the inventories are likely to increase to ~16 Mt by the end of 2020 up from ~11 Mt at the end of 2019.

India announced a stimulus of ~₹ 20 lakh crore which is approximately 10% of its GDP as against 1.2% of its GDP at the time of the global financial crisis in 2008-09. As of end-May 2020, the policy repo rate is at 4%, which is even lower than the 2008-09 financial crisis. Going forward, this is likely to support the overall economic revival. However, in the short term, due to lockdown and
recovery from COVID-19, domestic demand is likely to decline by ~20-25% at the closing of FY 2020-21, due to slowdown in Transportation, Building & Construction, Industrial Equipment, and Consumer Durables. The only green shoot is a marginal growth in the packaging and pharma sectors. Imports of aluminium products, including scrap, continue to remain a major concern for the domestic aluminium producers. Over the last few years, the domestic rolled products industry has been witnessing an increase in dumping of imports especially from China, at unfair prices leading to the pricing pressure. Hence, the Company is in the process of approaching the Government for remedial trade measures on imports of rolled products. In light of the existing business environment, pricing pressure due to imports in rolled products is expected in FY 2020-21 as well, unless some proactive measures are taken by the Government to support the Aluminium industry in India.

1.2 Copper Segment and Industry Review

Global refined copper consumption saw a dip of 0.7% in CY 2019 as compared to the healthy growth of 2.9% in CY 2018. Global copper market was impacted by the various trade-related disputes, slowing Chinese economy that constitutes 50% of global consumption and strengthening U.S. dollar in CY 2019. However, China saw a growth of 1%, world excluding China saw a drop in copper consumption by 2.3% in CY 2019. This drop in copper consumption was driven by weak manufacturing activities in Europe (majority Germany).

All these challenges clubbed with COVID-19, led to a sudden dip in global copper consumption by 17% in Q1 CY 2020 as compared to Q4 CY 2019. China alone saw a massive dent in refined copper consumption by over 33% in Q1 CY 2020 leading to a crash in copper prices. Copper LME that was just shy of the US$ 6,000 level at the end of December 2019 went down to US$ 4,800 by the end of March 2020 after touching a peak of US$ 6,300 in mid-January 2020.

On the raw material side, copper mines saw a slight de-growth of 0.3% in Copper concentrate production globally in CY 2019 compared to previous year. This was on account of multiple issues faced by the mining industry including local community issues in some South American countries, and a drop in copper grade in some large global mines etc.

The tight concentrate market has impacted benchmark Tc/Rc for CY 2020 with benchmark dropping by 23% from 20.7 US cents/lb during CY 2019 to 15.9 US cents/lb. As far as spot Tc/Rc is concerned, drop in refined copper output at China during Q1 CY2020 by around 6% due to COVID-19 led to a surplus in the concentrate market as the rest of the world had not been impacted to a great extent at that time. This caused a temporary rise in spot Tc/Rc from around 11.5 US Cents/lb in Q4 CY2019 to around 15.0 US Cents/lb in Q1 CY2020.

In the domestic market, Copper demand saw a growth of 2.5% in FY 2020 compared to 13.5% in FY 2019. Sluggish demand in FY 20 can be attributed to poor demand from the Transportation and Power sectors. With new tariffs imposed on copper imports from the ASEAN region from January 2020, imports recorded a growth of 16%, much lower as compared to the growth of 30% a year back in FY 2019. The overall market share of imports in the domestic market increased from 40% in FY 2019 to 45% in FY 2020.

1.2.1 Outlook

Uncertainty related to COVID-19 and the other macroeconomic environments across the globe is going to impact the copper consumption in CY2020. However, at the same time, various stimulus declared by different countries is expected to provide some support to the overall demand. Global demand for refined Copper is likely to be around 22 Mt in CY2020, down by 5.5% compared to last year. China is expected to de-grow by 5%. 
The world excluding China is expected to see a dip of 6% in CY2020 led by Europe, which is expected to see a degrowth for the second consecutive year. In CY2019, European industrial production shrunk amid slowed manufacturing activities and troubled automotive output. The feeble signs of recovery visible in early CY2020 has been blown away by the Covid crisis. European copper consumption is expected to see a drop of 8% in CY2020 vs a drop of 6.9% in CY2019.

Recovery in copper consumption in China and world excluding China to CY2019 level is expected by CY2022.

As far as the mines output is concerned, copper concentrate production is expected to drop by ~4-5% in CY2020. The COVID-19 pandemic has impacted the Southern Hemisphere in a big way, and many large mines in Peru, Panama, etc. have already declared force majeure. This will tighten the concentrate market which is likely to be in a deficit of around 400 Kt in CY2020 compared to a deficit of around 170 Kt in CY2019. The peak of this deficit is expected in Q2 CY2020, which is expected to then ease out during the second half of the CY2020. Accordingly, spot Tc/Rc is expected to hit bottom in Q2 CY2020 and then improve as the concentrate position eases out as the year progresses to its end.

For India this financial year, industrial output will be restricted by the current countrywide COVID-19 lockdowns. Migrant labour shortages and transport disruptions have already impacted both metals demand and supply. Industries are facing bottlenecks at different parts along their value chain and will take some time for these to clear and industrial activities to start at pre-COVID levels. The recent economic stimulus declared by the Indian Government will provide some support towards improving the copper consumption in India across sectors.

1.3 Novelis – Industry Review & Business overview

Economic growth, material substitution, and sustainability, including awareness around the harm to environment from polyethylene terephthalate (PET) plastics, continue to drive increasing global demand for aluminium and rolled products. With the exception of China, where can sheet overcapacity and strong competition remains, favourable market conditions and increasing customer preference for sustainable packaging options is driving higher demand for infinitely recyclable aluminium beverage cans and bottles. At the end of FY 2019, we began expanding rolling, casting and recycling capability in Pindamonhangaba, Brazil to support this demand.

Meanwhile, the demand for aluminium in the automotive industry continues to grow, and this has driven the investments made by the company in automotive sheet finishing capacity in North America, Europe and Asia in recent years. This demand in aluminium in the automotive industry is also driving additional investments made by Novelis in Guthrie, Kentucky (U.S.) and Changzhou, China. This demand has been primarily driven by the benefits that result from using lightweight aluminium in vehicle structures and components, as companies respond to stricter Government emissions and fuel economy regulations, while maintaining or improving vehicle safety and performance. This has resulted in increased competition with high-strength steel.

The worldwide spread of COVID-19 has caused travel and business disruption and economic volatility. Novelis is closely monitoring the changing landscape with respect to COVID-19 and taking actions to manage its business and support its customers while focusing on the health and safety of all its employees.

On April 14, 2020, Novelis completed the acquisition of Aleris and has begun integration of its operations to drive synergies and long-term value. The divestment procedures for automotive assets at Lewisport in the U.S. and Duffel in Europe are underway. This acquisition will provide further product diversification with the addition of high-end aerospace and and expansion of its specialty capabilities in the U.S., Europe and Asia.

For a region-wise detailed business overview, please refer to the 10K filed by Novelis Inc. dated May 7th, 2020 for the year ended March 31, 2020.

1.3.2 Outlook

The global demand for flat rolled products in the near-term is likely to remain modest in cyclical end markets resulting from the current pandemic situation. In the current environment and post-COVID, industries like Beverages, Food Packaging, Pharmaceuticals will tend to benefit, leading to a higher demand for FRP in these segments.

The beverage can sheet market has historically been a recession-resistant product and is expected to remain resilient in the current COVID environment, particularly in North America and Europe. With the rising preference for sustainable beverage packaging, aluminium will continue to drive demand for beverage can sheet in the coming years.

Currently, the global automotive industry has seen adverse effects due to COVID-19. Aluminium FRP demand for automotive body sheets, driven by light-weighting trends in the Transportation sector, premium vehicles and Electric Vehicles continues to see strong traction with some positive signs of revival with the growing demand for automotive, especially in the U.S., Europe and China. It is still unclear as to how much the COVID-19 will have impacted the near-term automotive demand.

In the Aerospace segment, reduction in production is seen as consumer travel is expected to drive lower demand in the next calendar year. In the longer-term, FRP growth in the Aerospace segment, remains intact with high order backlog from all aircraft manufacturers across the globe.
### 2. BUSINESS SEGMENT REVIEW

#### 2.1 Hindalco – SWOT Analysis

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weakness</strong></th>
</tr>
</thead>
</table>
| - Integrated business model generating healthy cash flows  
- Dominant player in India across upstream and downstream  
- Utkal - among the world’s most economical and efficient Alumina producer; capacity expansion of 500 Kt in progress and the Utkal capacity to reach 2.0 Mt  
- Increased focused on Value Added Products (VAP) to be more LME-delinked | - Commodity product with smaller share of VAP currently  
- Upstream Business linked to Global Aluminium Price volatility |

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
</table>
| - Immense headroom for growing market in India; Aluminium consumption in India at 1/12th of global average  
- Rising Aluminium penetration in Building & Construction, Automotive, Packaging, and Transportation bodes well for growing VAP demand  
- Substitution opportunity versus steel, uPVC, wood, among others. | - Global Aluminium Prices, Forex and raw material price volatility  
- Competition from China  
- Threat of rising imports of scrap and other VAP to India from the Free Trade Agreement (FTA) countries  
- Domestic availability/shortage of coal and bauxite |

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weakness</strong></th>
</tr>
</thead>
</table>
| - Global presence - across nine countries, enabling global play with marquee customers  
- Market leader in Can and Automotive FRP products  
- Entry in the high-end aerospace segment providing further product diversification.  
- ~60% share of recycling in Novelis portfolio - cost competitiveness  
- Acquisition of Aleris to provide further product diversification and drive synergies. | - Lack of access to Shanghai Future Exchange (SHFE) metal in China |

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
</table>
| - Growing penetration of aluminium cans for beverage and food packaging in emerging markets  
- Growing automotive market is driven by EVs, energy efficiency and light-weighting focus across the globe  
- Entry in the Aerospace, Defence and High-end specialities segments with the acquisition of Aleris | - Cost Competitiveness in China  
- Price erosion on account of growing competition  
- Impact of COVID-19 on automotive industry |
Strengths
- A balanced portfolio of revenue streams to tide through volatile market
- Secured concentrate supply via long term contracts with miners
- Increased focused on VAP in Copper

Weakness
- Import dependence for Copper concentrate supplies

Opportunities
- Immense headroom for growth due to lower consumption vs global average

Threats
- Mine disruptions
- Duties & FTAs – trade politics

2.2 Operational Performance & Financial Review

Financial Table: Hindalco Standalone & Consolidated

<table>
<thead>
<tr>
<th>Description</th>
<th>Standalone FY 2019-20</th>
<th>Consolidated FY 2019-20</th>
<th>Consolidated FY 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>40,242</td>
<td>45,749</td>
<td>1,18,144</td>
</tr>
<tr>
<td>Earning Before Interest, Tax and Depreciation (EBITDA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Novelis*</td>
<td>10,435</td>
<td>9,565</td>
<td></td>
</tr>
<tr>
<td>Aluminium</td>
<td>3,729</td>
<td>5,096</td>
<td></td>
</tr>
<tr>
<td>Copper (including DHIL)</td>
<td>1,276</td>
<td>1,683</td>
<td></td>
</tr>
<tr>
<td>Other Segments</td>
<td>(16)</td>
<td>(76)</td>
<td></td>
</tr>
<tr>
<td>Unallocable Income/ (Expense) - (Net) &amp; GAAP Adj.</td>
<td>112</td>
<td>359</td>
<td></td>
</tr>
<tr>
<td>Total EBITDA</td>
<td>4,403</td>
<td>5,186</td>
<td>15,536</td>
</tr>
<tr>
<td>Depreciation and amortization (including net impairment loss/(reversal) of non-current assets)</td>
<td>1,708</td>
<td>1,693</td>
<td>5,135</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>1,679</td>
<td>1,683</td>
<td>4,197</td>
</tr>
<tr>
<td>Earning before Exceptional Items, Tax &amp; Share in Profit/(Loss) in Equity accounted Investments</td>
<td>1,016</td>
<td>1,810</td>
<td>6,204</td>
</tr>
<tr>
<td>Share in Profit/(Loss) in Equity accounted Investments</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Earning before Exceptional Items and Tax</td>
<td>1,016</td>
<td>1,810</td>
<td>6,208</td>
</tr>
<tr>
<td>Exceptional Income/ (Expenses) (Net)</td>
<td>(64)</td>
<td>(284)</td>
<td></td>
</tr>
<tr>
<td>Profit Before Tax (After Exceptional Items)</td>
<td>952</td>
<td>1,810</td>
<td>5,924</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>332</td>
<td>605</td>
<td>2,157</td>
</tr>
<tr>
<td>Profit/ (Loss) After Tax</td>
<td>620</td>
<td>1,205</td>
<td>3,767</td>
</tr>
</tbody>
</table>

*As per US GAAP

Hindalco Aluminium Business Review
2.2.1 Operational Overview – Aluminium

The Company achieved record operational performance in its aluminium business in FY 2019-20, despite the challenging business environment. This was supported by stable operations at all its manufacturing units in India with yet another record production of aluminium at 1.314 Mt. Alumina production was at 2.735 Mt overall. Total metal sales in all forms were at a record high of 1.290 Mt versus 1.274 Mt in FY 2018-19. Utkal Alumina also recorded its best-ever production and continues to be the most economical and efficient alumina producer globally, running at maximum capacity to produce 1.6 Mt of world-class alumina and providing strong support to most of Hindalco’s India smelting facilities, leading to better cost optimization and quality input (Alumina). Production of VAP excluding wire rods was flat YoY, at 319 Kt in FY 2019-20.
Alumina Production (Hydrate as Alumina) (Mt)

<table>
<thead>
<tr>
<th></th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Refineries of Hindalco</td>
<td>1.6</td>
<td>2.3</td>
<td>2.7</td>
<td>1.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Utkal</td>
<td>1.4</td>
<td>1.5</td>
<td>1.4</td>
<td>1.3</td>
<td>1.1</td>
</tr>
</tbody>
</table>

2.2.2 Financial Overview

Aluminium

Revenue for Hindalco’s aluminium business was ₹21,749* crore in FY 2019-20, from ₹23,775* crore in FY 2018-19, down 9%. EBITDA was at ₹3,729 crore versus ₹5,096 crore a year earlier, lower by 27% due to lower realization partially offset by lower input costs and better efficiencies. The EBITDA margins were at 17.1% in FY 2019-20, one of the best in the industry.

(*The above numbers are without elimination of Inter-segment revenue)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20</th>
<th>FY 2018-19</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>21,749</td>
<td>23,775</td>
<td>-9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,729</td>
<td>5,096</td>
<td>-27%</td>
</tr>
</tbody>
</table>

Note: In the consolidated financial statements, within the aluminium segment, the significant entities are Hindalco and Utkal Alumina International Ltd. Since Utkal Alumina is a wholly-owned subsidiary of Hindalco and supplies a substantial quantity of its production to Hindalco, we have analyzed the combined performance of Hindalco’s aluminium business along with Utkal Alumina.

2.3 Copper Business Review

2.3.1 Operational Overview

The copper business delivered a stable performance in FY 2019-20 in terms of sales and production despite challenging market conditions and production disruptions due to planned maintenance and related issues. Cathode production fell 7% from FY 2018-19 on account of plant disruptions in the last ten days of March 2020 due to the lockdown. Copper rod production was the highest ever at 263 Kt, up 7% in FY 2019-20. Production of Di-Ammonium Phosphate (DAP) was 230 Kt from 303 Kt due to some operational issues in the early part of the FY 2019-20.

Total Copper Metal Sales was at 335 Kt in FY 2019-20 down by 7% compared to the previous year due to lower production. The sales of Copper VAP (Copper Rods) were up by 6% at 257 Kt in FY 2019-20. The share of VAP (CC Rods) to Total metal sales has reached 77% in FY 2019-20, from 68% in the previous year.

Copper Cathode Production (Kt)

<table>
<thead>
<tr>
<th></th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>388</td>
<td>376</td>
<td>410</td>
<td>347</td>
<td>321</td>
</tr>
</tbody>
</table>

On the coal side, in FY 2019-20, the total quantity secured through coal linkages stands at 12.2 Mt, translating to about 75% of annual coal requirements of Hindalco. Overall, 98% of annual coal requirements is secured through long-term linkages and captive mines. The Company has three captive mines- Gare Palma IV/4, Gare Palma IV/5 and Kathautia. The captive mine at Dumri is in the process of obtaining necessary statutory clearances and is expected to be operational in FY 2020-21.
2.3.2 Financial Overview

Copper Business (including DHIL) revenue for FY 2019-20 was at ₹18,533* crore (vs. ₹22,198* crore in FY 2018-19), due to lower realizations and volumes. EBITDA fell 24% at ₹1,276 crore (vs. ₹1,683 crore in FY 2018-19) on account of lower volumes and by-product realizations in FY 2019-20 during the year.

*The above numbers are without elimination of Inter-segment revenue.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20</th>
<th>FY 2018-19</th>
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<tr>
<td>Revenue</td>
<td>18,533</td>
<td>22,198</td>
<td>-17%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,276</td>
<td>1,683</td>
<td>-24%</td>
</tr>
</tbody>
</table>

The Aleris acquisition has given Novelis entry into the aerospace segment. Novelis operates an integrated network of technically advanced rolling and recycling facilities across North America, South America, Europe, and Asia, and leverages its global manufacturing and recycling footprint to consistently deliver high-quality products around the world.

Novelis reported yet another year of record performance with its best-ever adjusted EBITDA and EBITDA per ton in FY 2019-20. The performance was mainly driven by its portfolio optimization, better cost efficiencies, favourable product mix, innovations, customer centricity and favourable demand for lightweight, sustainable aluminium solutions across end-markets.

Novelis has developed innovative products and processes to drive lightweight aluminium adoption across end-markets. It developed the first aluminium sheet battery enclosure to address the needs of customers in the fast-rising electric vehicle and battery markets. It is supplying Toyota with premium aluminium automotive body sheet for the all-new 2019 Toyota RAV4 and help RAV4 achieve weight savings. Novelis leveraged its extensive recycling footprint and the favourable market conditions to maintain the recycled content at 60% in FY 2019-20.

Total shipments were flat to 3.273 Mt in FY 2019-20. Share of beverage can sheet shipments increased from 63% in FY 2018-19 to 66% in FY 2019-20, and automotive body sheet shipments were at 19% in FY 2019-20, despite challenges in some regions, primarily Europe and China, and in the world market due to the pandemic lock down.

Novelis operates in four key geographies: North America, Europe, Asia and South America. In North America, in FY 2019-20, total shipments were 1,111 Kt. Novelis announced plans to set up a 200 Kt automotive finishing facility in Guthrie, Kentucky in the US, to cater to the growing automotive demand in this region. This facility is expected to be operational in FY 2020-21.

In Europe, the Company shipped 892 Kt across product categories in FY 2019-20. In Asia, Novelis shipped 711 Kt of rolled products versus 710 Kt in FY 2018-19. Its automotive finishing line expansion project of 100 Kt is progressing well and is expected to be operational in FY 2020-21. In South America, Novelis shipped 559 Kt in FY 2019-20, up from 526 Kt in the previous year.

In FY 2019-20, Novelis reported a record overall adjusted EBITDA/tonne of $450, up from $418/tonne, reflecting a strong and consistent performance year after year.
With Novelis’ thrust on sustainability and recycled aluminium, the share of recycled inputs was at 60% in FY 2019-20. The Company has invested significantly in recycling initiatives and developed high-tech recycling capabilities over the years. Its new rolling, casting and recycling expansion in Brazil is expected to be commissioned in FY 2021-22.

2.4.2 Financial Overview

Novelis’ net sales in FY 2019-20 were at $11.2 billion, down 9% mainly driven by lower average global aluminium prices and local market premiums. Adjusted EBITDA stood at a record high of $1.472 billion, up 8%, on the back of portfolio optimization, favourable metal prices, better cost efficiencies and favourable foreign exchange, partially offset by less favourable recycling benefits due to lower aluminium prices. Novelis reported free cash flow of $384 million driven by stronger adjusted EBITDA and lower interest costs. Net income (without Exceptional Items) stands at $590 million in FY 2019-20 vs. $468 million in FY 2018-19 up by 26% year on year.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019-20</th>
<th>FY 2018-19</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>11,217</td>
<td>12,326</td>
<td>-9%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>1,472</td>
<td>1,368</td>
<td>8%</td>
</tr>
<tr>
<td>Net Income/ (loss) excluding Special Items*</td>
<td>590</td>
<td>468</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Tax-effected special items may include restructuring & impairment, metal price lag, gain/loss on assets held for sale, loss on extinguishment of debt, loss/gain on sale of business

Hindalco’s consolidated revenue was at ₹1,18,144 crore in FY 2019-20 compared to ₹1,30,542 crore in FY 2018-19, down by 9% due to lower global aluminium prices and local market premiums.

3.1 Revenue

Revenue split by business for FY 2019-20:
3.2 EBITDA
Consolidated EBITDA FY 2019-20 declined by 7% to ₹15,536 crore from ₹16,627 crore in the previous year. This was due to lower EBITDA in aluminium and copper businesses in India, offset by a best-ever performance by Novelis in FY 2019-20. The EBITDA margin in FY 2019-20 was better at 13.2% compared to 12.7% in FY 2018-19.

**EBITDA : Split by Business in FY 2019-20**

<table>
<thead>
<tr>
<th>Business</th>
<th>EBITDA (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>10,004</td>
</tr>
<tr>
<td>Copper</td>
<td>13,559</td>
</tr>
<tr>
<td>Novelis</td>
<td>15,025</td>
</tr>
<tr>
<td>Others</td>
<td>16,627</td>
</tr>
<tr>
<td>Others</td>
<td>15,536</td>
</tr>
</tbody>
</table>

3.3 Finance Cost
Finance Cost increased by 11% at ₹4,197 crore in FY 2019-20 from ₹3,778 crore in FY 2018-19 due to the impact of refinancing cost of ₹568 crore in Novelis in FY 2019-20. Novelis successfully refinanced its 6.25%, $1.15 billion bonds due in 2024 with an attractive 4.75%, $1.6 billion bonds due in 2030, with a net interest savings of $17 million per annum.

3.4 Depreciation and amortization (including net impairment loss/(reversal) of non-current assets)
Depreciation and amortization (including net impairment loss/(reversal) of non-current assets) increased to ₹5,135 crore in FY 2019-20 from ₹4,766 crore in FY 2018-19 mainly on account of progressive capitalization and adoption of IndAS 116 “Leases” effective from April 1, 2019 and exchange impact.

3.5 Exceptional Income/(Expense)
The total exceptional expense of ₹284 crore in FY 2019-20 was majorly on account of the closure of one of Novelis’ foil plants in Ludenscheid, Germany, which allowed driving more inter-plant efficiencies in the region and optimizing its overall product portfolio towards high-margin, recycled content friendly products. This plant ceased all its production during the fourth quarter of FY 2019-20. The exceptional expense also includes the restoration of Red Mud pond and other related expenses at the Muri Alumina refinery.

3.6 Taxes
Provision for tax was at ₹2,157 crore in FY 2019-20 against ₹2,588 crore in FY 2018-19. This decrease in taxes was due to lower profitability of the company in FY 2019-20.

3.7 Profit/(Loss) after tax
Profit After Tax (PAT) in FY 2019-20 was at ₹3,767 crore compared to ₹5,495 crore a year ago. FY 2019-20 includes an exceptional expense (before tax) of ₹284 crore mainly on account of the closure of one of Novelis’ foil plant facilities in Ludenscheid, Germany and the impact of refinancing cost at Novelis of ₹568 crore in FY 2019-20. The net profit margin in FY 2019-20 stands at 3.2% versus 4.2% in FY 2018-19.

3.8 Consolidated Net Debt to EBITDA
The consolidated balance sheet continued to remain strong with the Net Debt to EBITDA at 2.61 times at the end of March 2020 versus 2.48 times at the end of March 2019.

3.9 Key Financial Ratios (Consolidated)
(i) Debtors Turnover (Days)
The Consolidated Debtors Turnover Days on March 31, 2020 stands at 32 days versus 30 days at the end of March 31, 2019. This shows consistency in managing its credit with customers and this also reflects the Company’s strong
financial position with respect to most of its customers. The Debtor Turnover (days) is calculated as Average Debtors / Total Consolidated Sales multiplied by 365 days.

(ii) Inventory Turnover (Days)
The Consolidated Inventory Turnover Days on March 31, 2020 was little higher maintained at 75 days versus 67 days at the end of March 31st, 2019. This shows how the Company managed its inventory levels during the year. This was higher primarily due to some inventories in March on account of the lockdown. The Inventory (days) is calculated as Average Inventory / Cost of Goods Sold (Cost of Sales + Depreciation) multiplied by 365 days.

(iii) Interest Coverage Ratio:
The Consolidated Net Interest Coverage Ratio as on March 31, 2020 stands at 3.70 times versus 4.40 times at the end of March 31, 2019. This is a bit low over the previous year because of lower earnings (EBIT) and higher interest cost due to the impact of refinancing costs in Novelis. This ratio reflects the Company’s ability and strength to meet its interest obligations.

(iv) Current Ratio
The Consolidated Current Ratio as on March 31, 2020 stands at 1.78 times versus 1.58 times at the end of March 31, 2019. This ratio reflects the Company’s strong liquidity or solvency.

(v) Debt to Equity Ratio
The Consolidated Debt to Equity Ratio as on March 31, 2020 stands well above 1.0x at 1.15 times versus 0.91 times as on March 31, 2019. This reflects the Company’s strong balance sheet and ability to meet its current short-term obligations.

(vi) Return in Net Worth (RONW)
The Consolidated Return on Net Worth as on March 31, 2020 stands at 6.46% compared to 9.56% as at March 31, 2019. This was lower compared to the previous year due to the lower profits and impact of the refinancing cost in Novelis. Adjusting for the post-tax impact of ₹568 crore in FY 2019-20 this will be 7.08%.

(vii) Operating Margins
The Consolidated Operating margins in FY 20 stands at 12.15% versus 11.87% in FY 19 reflecting higher operating profit in FY 20 compared to the previous year. (Operating Margin = Operating Profit / Net Sales)

3.10 Consolidated Cashflow:
The table below shows the comparative movement of Cash flows:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Consolidated Financial Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03.2020</td>
</tr>
<tr>
<td>A. CASH FLOW FROM OPERATING ACTIVITIES</td>
<td></td>
</tr>
<tr>
<td>Operating Cash flow before working capital changes</td>
<td>13,945</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(1,178)</td>
</tr>
<tr>
<td>Cash generated from operations before Tax</td>
<td>12,767</td>
</tr>
<tr>
<td>(Payment)/Refund of Direct Taxes</td>
<td>(102)</td>
</tr>
<tr>
<td>Net Cash generated/ (used) - Operating Activities (a)</td>
<td>12,665</td>
</tr>
<tr>
<td>B. CASH FLOW FROM INVESTMENT ACTIVITIES</td>
<td></td>
</tr>
<tr>
<td>Net Capital Expenditure</td>
<td>(6,732)</td>
</tr>
<tr>
<td>Sale proceeds from Slump Sale</td>
<td>25</td>
</tr>
<tr>
<td>(Purchase) / Sale of treasury instrument (Net)</td>
<td>(1,578)</td>
</tr>
<tr>
<td>Investment in equity accounted investees</td>
<td>(3)</td>
</tr>
<tr>
<td>Loans &amp; Deposits (given) / received back (Net)</td>
<td>266</td>
</tr>
<tr>
<td>Interest and dividends received</td>
<td>331</td>
</tr>
<tr>
<td>Investment in Equity Shares at FVTOCI</td>
<td>(653)</td>
</tr>
<tr>
<td>Others</td>
<td>43</td>
</tr>
<tr>
<td>Net Cash generated/ (Used) - Investing Activities (b)</td>
<td>(8,301)</td>
</tr>
<tr>
<td>C. CASH FLOW FROM FINANCING ACTIVITIES</td>
<td></td>
</tr>
<tr>
<td>Equity Raised / Debentures Redeemed</td>
<td>4</td>
</tr>
<tr>
<td>Treasury shares acquired by ESOP Trust</td>
<td>(7)</td>
</tr>
<tr>
<td>Net Debt inflows</td>
<td>10,949</td>
</tr>
<tr>
<td>Interest &amp; Finance Charges paid</td>
<td>(4,016)</td>
</tr>
<tr>
<td>Dividend Paid (including Dividend Distribution Tax)</td>
<td>(320)</td>
</tr>
<tr>
<td>Net Cash generated/ (Used) - Financing Activities (c)</td>
<td>6,610</td>
</tr>
<tr>
<td>Net Increase/(decrease) in Cash and Cash Equivalents (a)+(b)+(c)</td>
<td>10,974</td>
</tr>
</tbody>
</table>
4. BUSINESS OUTLOOK

Hindalco continued to deliver strong and resilient performance in FY 2019-20, despite a challenging business environment and significant market uncertainties. Currently, around 77% of Hindalco's consolidated EBITDA is LME-delinked, an affirmation of its diversified, value-added portfolio.

The Company’s relentless focus is on better efficiencies and cost competitiveness, as all its smelters continue to be in the first quartile of the global cost curve. The capacity expansion project at Utkal Alumina refinery will further help in reducing the overall integrated cost of production going forward. The company is also focused on cash conservation and maintaining adequate liquidity to continue to deliver sustained performance despite the current tough environment due to COVID-19. The Company's long-term strategic investments in Novelis and the India downstream expansion will enhance its capabilities. In addition, the acquisition of Aleris will provide further product diversification in Novelis to strengthen the Company’s long-term sustainable business model.

The Copper Continuous Cast Rod mill (CCR#3) is ramping up well, taking rod capacity to ~82% of cathode production, from 40% in the earlier years. This VAP capacity will help the Company drive a larger market share and meet the growing demand for Copper in the domestic market.

Hindalco will continue to keep a close watch on input prices, including coal, which affects the overall cost of production. The Company endeavours to mitigate this impact by utilizing its resources well, with better efficiencies across all products and plant locations, including Novelis. The Company is also focusing on further enriching its product mix and is evaluating investments in aluminium downstream facilities towards newer products and its existing product lines to cater to this demand. However, concerns over low-cost imports in aluminium and copper continue to hurt the domestic aluminium and copper industry.

The recent acquisition of Aleris by Novelis will cater to newer customers and products in Aerospace and high-end speciality, Truck & Trailer businesses, which will enhance its existing product portfolio. This will help Novelis to solidify further its leadership position as the global aluminium value-added player.

Novelis’ ongoing organic expansion projects in the US, Brazil and China will drive overall business to the next level with its product diversity and market leadership while maintaining its balanced and disciplined approach towards decision-making in each of its product categories.

5. PRICE RISK MANAGEMENT

Hindalco’s financial performance was significantly impacted by fluctuations in prices of aluminium, exchange rates and interest rates. The Company takes a structured approach to the identification, quantification and hedging of such risks by using derivatives in commodity and currency, which is driven by a comprehensive risk management policy of the Company.

6. SUSTAINABILITY

With a focus on creating value, exceeding expectations and operating responsibly, we continue our journey towards a resilient, responsible and reliable future. To continue being a leading non-ferrous metals and mining company, we ensure that our operations are run in an environmentally conscious and socially responsible manner.

The amalgamation of sustainability with our business strategy has helped us in the effective management of our business in the turbulent business environment and challenging situations. In one of the critical steps in moving towards integrating sustainability with business strategy, we have undertaken an assessment of material topics for the company. This is being done by the Sustainability team in collaboration with enterprise risk management. The outcome of the exercise will help us in identification of topics that are of importance to us and our stakeholders.

We have strengthened our sustainability framework to embed sustainability in our company culture. We are developing task forces for key sustainability areas, such as, water and waste management, along with commencing organization-wide capacity building initiatives on sustainability. Hindalco has also adopted the sustainability technical standards released by the Group's Sustainability Cell. The Company's sustainability committee which is chaired by the Managing Director reviews progress on various sustainability interventions on a regular basis.

We are known to be a company that is resource-efficient when it comes to consumption of natural resources – either in the form of raw material or in the form of energy consumption. We are proud to be progressing on our targets for improving energy intensity and GHG emission intensity of our operations. This is further strengthened by efforts to improve our renewable energy footprint, wherein we are now close to 50 MW of installed solar power generation capacity across our plants. Our operations are best among the industry when it comes to specific freshwater consumption. These achievements are a result of efforts and innovation by our employees.

Greener. Stronger. Smarter
We are cognizant of the complex nature of our operations. This puts the health and safety of our employees on the forefront. We take every step to ensure that every person working at our premises reaches home back safely. In order to further strengthen the safety framework, we have introduced a fatality prevention programme. The programme aims to identify areas where safety needs to be improved and we take the necessary steps accordingly.

Our supply chain plays a major role in the smooth running of our operations. To extend our sustainability efforts across the supply chain, we have developed a framework to assess our suppliers on various sustainability parameters. The assessment will help them in the identification of areas of improvement and further enhance sustainability practices in their respective operations.

Being a responsible corporate citizen, we have continued our focus on strengthening the community development framework. This helps in propagating the culture of shared growth among the community.

Detailed initiatives and progress against sustainability key performance indicators are provided as part of our annual sustainability report available on our website.

7. SAFETY

We expect everyone working for Hindalco including contractors & other associates responsible for carrying out various business-related tasks having safety hazards, have the necessary training, skills and competencies. Hindalco has invested 14,75,216 man-hours in need-based safety training in FY 2019-20. It amounts to more than 4 man-days training per person per year. Most of the training sessions were followed by practical competency tests.

Everyone working for us at our manufacturing sites and mines is empowered to intervene when he/she sees any unsafe act, unsafe condition or unsafe practices including stoppage of work if need be. This year employees working at our manufacturing sites & mines made 4,15,658 safety interventions. The practice of safety intervention is further augmented with structured Behaviour Based Safety (BBS) Observation process from FY 2019-20. Our 17 world-class safety standards and 7 guidelines describe the control and physical barriers we require to prevent incidents. To ensure that all our manufacturing sites & mines are safely operated and well-maintained as stipulated in our safety standards and guidelines, the cross-functional internal audit system is in place. Apart from this, we practise a safety audit of each facility by corporate / cross entity team which is carried out once a year using subject matter experts (SMEs) from line functions of other units. If an emergency incident does occur, we have procedures in place to reduce the impact on people, society and the environment. We routinely update and test our emergency response potential by simulating incidents such as a spill, a leak or a fire and conducting mock drills. To test our emergency plans and procedures, we have worked closely with local services and regulatory agencies in the FY 2019-20. These tests not only continually improve our readiness to respond but also foster coordination among various agencies.

We at Hindalco, continually work to minimize the impact and likelihood of incidents. However, some do occur. Regrettably, six people lost their lives in FY 2019-20. Thus our severity rate jumped to 348 in FY 2019-20 from 254 in the FY 2018-19. However, owing to the fewer number of reportable injury accidents, the frequency rate of injuries has come down to 0.38 in year FY 2019-20 as compared to 0.49 in the year FY 2018-19. At the start of year FY 2020-21, Apex Safety Committee of Hindalco spent considerable time reflecting on the safety performance of the Company as measured by the number of fatalities. This included carrying out a full review of Hindalco’s safety approach, the effectiveness of various safety programs etc. and what needs to change at Hindalco to prevent fatalities and all other serious incidents. After thorough deliberation, Hindalco decided to implement one additional safety program, i.e. Serious Injury and Fatality (SIF) prevention program from year FY 2020-21 and revisit entire risk assessment of all the tasks carried of all across Hindalco. Since last three years, we are carrying out Qualitative Exposure Assessment (QEA) and Quantitative Exposure Assessment of work environment pollutants like noise, dust, fumes to workmen. We completed this exercise for almost all manufacturing sites/mines of Hindalco in year FY 2019-20, and the recommendations emanated out of these exercises are under active implementation. To further strengthen the occupational health & hygiene aspect, Hindalco implemented three world-class occupational health standards.

8. HUMAN CAPITAL

With around 25,000 direct employees in India and another 11,000 outside the country, people are at the centre of driving excellence at Hindalco. The Aditya Birla Group is one of the most preferred employers in the country. This enables us to attract the required talent and retain them.

Keeping in mind the new normal, we are constantly working on our Employee Value Proposition and innovating our programs and initiatives for holistic employee development. We have designed multiple online programs on both behavioural/leadership and functional/technical aspects. Specially designed programs for building digital capability have also been rolled out. We have extended our Potential Assessment Process to a larger employee population now to create a bigger talent pool and provide career opportunities.
We have strengthened our partnership with the HR Business Partners working closely on talent management, capability building, driving performance and strategic projects with them. This year we have strived to make our performance management process digital by introducing a digital tool for normalization. We have also focused on increased development conversation as well as regular feedback. We have been closely working on increasing employee engagement and building an open, transparent and inclusive culture by working extensively on action plans based on the results of our employee engagement survey.

9. INTERNAL CONTROLS
A strong internal control culture is pervasive throughout the Group. Regular internal audits at all locations are undertaken to ensure that the highest standards of internal control are maintained. The effectiveness of a business’ internal control environment is a component of senior management performance appraisals. The principal aim of the system of internal control is the management of business risks, with a view on enhancing shareholder value and safeguarding the Group’s assets. It provides reasonable assurance on the internal control environment and against material misstatement or loss.

10. COVID-19 UPDATES
The Company’s first and foremost objective has been to protect the health and safety of our workforce across all our facilities. The Company has taken several precautionary measures, which will remain in place until the pandemic crisis is resolved.

I. Operations :
As a part of continuous process manufacturing, the Company’s four aluminium smelters, and the Utkal Refinery in India operated at near full capacity during the lockdown. The Company’s coal and bauxite mines also operated at regular scale. The aluminium downstream plants in India had shut down initially, except at two locations, while other downstream facilities continued to operate and serve essential sector customers.

In the U.S., Novelis has experienced increased disruption to its global aluminium production and supply chain. After initial temporary shutdowns, the copper operations have been restarted.

All major Capital Expenditures, excluding maintenance and essential capital expenditures for the next financial year, is being curtailed for both India and Novelis.

II. Customers :
In spite of the operational challenges, Hindalco continued to serve its customers in essential industries, by reorienting supply chains to offer uninterrupted supplies from its warehouses and its operating plants. During the lockdown, Hindalco produced aluminium foil for pharmaceutical packaging of Chloroquine Phosphate, Hydroxychloroquine sulphate tablets and other critical drugs. Hindalco aluminium was used in manufacturing components of life-saving ventilators, components of X-ray and CT scan machines, COVID testing booths and other hospital equipment, Personal Protection Equipment (PPE) kits and sanitizer stands.

III. Employees :
Hindalco-Novelis prioritized the health and safety of the workforce by providing the work-from-home option to the majority of employees in offices, running plant operations with reduced staff, moving a number of employees into the plants to minimize travel, staggering shifts in plants, following strict social distancing, hygiene and safety protocols, and ensuring rigorous cleaning and sanitization of all facilities, colonies, staff buses, etc. The Company continues to take all possible precautions to keep infections at bay.

IV. Communities :
Hindalco has taken on the responsibility of sanitizing and supporting villages around its plants. The Company supplied food, groceries and other essentials to the communities through its CSR teams.

Novelis extended strong support to response and recovery efforts and has directly provided 28 non-profits including local hospitals and food banks, with resources to keep communities safe.

Cautionary Statement
Statements in this “Management Discussion and Analysis” describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in the government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information events or otherwise.
## FINANCIAL HIGHLIGHTS - STANDALONE

### PROFITABILITY

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Operating Revenues</td>
<td>5,676</td>
<td>40,242</td>
<td>45,749</td>
<td>43,446</td>
<td>39,383</td>
<td>36,713</td>
<td>36,869</td>
<td>30,101</td>
<td>28,070</td>
<td>28,297</td>
<td>25,348</td>
</tr>
<tr>
<td>Less: Cost of Sales</td>
<td>5,159</td>
<td>36,578</td>
<td>41,503</td>
<td>38,322</td>
<td>34,569</td>
<td>33,367</td>
<td>33,453</td>
<td>27,609</td>
<td>25,866</td>
<td>25,192</td>
<td>22,193</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>517</td>
<td>3,664</td>
<td>4,246</td>
<td>4,814</td>
<td>3,417</td>
<td>2,492</td>
<td>2,204</td>
<td>1,016</td>
<td>810</td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td>Other Income</td>
<td>104</td>
<td>739</td>
<td>940</td>
<td>948</td>
<td>1,005</td>
<td>882</td>
<td>1,244</td>
<td>810</td>
<td>810</td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td>Less: Depreciation, Amortization and Impairment</td>
<td>241</td>
<td>1,708</td>
<td>1,693</td>
<td>1,617</td>
<td>1,428</td>
<td>1,282</td>
<td>837</td>
<td>823</td>
<td>704</td>
<td>690</td>
<td>687</td>
</tr>
<tr>
<td>Less: Interest and Finance Charges</td>
<td>237</td>
<td>1,679</td>
<td>1,683</td>
<td>1,901</td>
<td>2,323</td>
<td>2,390</td>
<td>1,637</td>
<td>712</td>
<td>436</td>
<td>294</td>
<td>220</td>
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<tr>
<td>Profit before Exceptional Items and Tax</td>
<td>143</td>
<td>1,016</td>
<td>1,810</td>
<td>2,554</td>
<td>2,068</td>
<td>653</td>
<td>2,081</td>
<td>2,047</td>
<td>2,737</td>
<td>2,595</td>
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</tr>
<tr>
<td>Exceptional Income/ (Expenses) (Net)</td>
<td>(9)</td>
<td>(64)</td>
<td>-</td>
<td>(325)</td>
<td>85</td>
<td>-</td>
<td>(578)</td>
<td>(396)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit (Loss) before Tax from Continuing Operations</td>
<td>134</td>
<td>952</td>
<td>1,810</td>
<td>2,229</td>
<td>2,153</td>
<td>653</td>
<td>1,247</td>
<td>1,685</td>
<td>2,047</td>
<td>2,737</td>
<td>2,595</td>
</tr>
<tr>
<td>Less: Tax Expenses</td>
<td>47</td>
<td>332</td>
<td>605</td>
<td>793</td>
<td>596</td>
<td>99</td>
<td>322</td>
<td>272</td>
<td>347</td>
<td>500</td>
<td>458</td>
</tr>
<tr>
<td>Profit (Loss) from Continuing Operations</td>
<td>87</td>
<td>620</td>
<td>1,205</td>
<td>1,436</td>
<td>1,557</td>
<td>554</td>
<td>925</td>
<td>1,413</td>
<td>1,699</td>
<td>2,237</td>
<td>2,137</td>
</tr>
<tr>
<td>Profit (Loss) from Discontinued Operations (Net of Tax)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Profit (Loss) for the Period</td>
<td>87</td>
<td>620</td>
<td>1,205</td>
<td>1,436</td>
<td>1,557</td>
<td>552</td>
<td>925</td>
<td>1,413</td>
<td>1,699</td>
<td>2,237</td>
<td>2,137</td>
</tr>
<tr>
<td>Business Reconstruction Reserve (BRR)*</td>
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<td></td>
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<tr>
<td>Expenses adjusted against BRR (Net of Tax)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit (Loss) for the Period had the expenses not adjusted against BRR</td>
<td>87</td>
<td>620</td>
<td>1,205</td>
<td>1,436</td>
<td>1,557</td>
<td>130</td>
<td>828</td>
<td>1,327</td>
<td>1,699</td>
<td>2,237</td>
<td>2,137</td>
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### FINANCIAL POSITION

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<td>Gross Fixed Assets (excluding CWIP)</td>
<td>6,676</td>
<td>50,296</td>
<td>48,898</td>
<td>48,264</td>
<td>46,742</td>
<td>43,316</td>
<td>35,434</td>
<td>26,804</td>
<td>15,073</td>
<td>14,478</td>
<td>14,287</td>
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<tr>
<td>Capital Work-in-Progress (CWIP)**</td>
<td>170</td>
<td>1,282</td>
<td>982</td>
<td>737</td>
<td>712</td>
<td>3,079</td>
<td>10,744</td>
<td>17,277</td>
<td>23,605</td>
<td>16,257</td>
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<td>13,900</td>
<td>12,358</td>
<td>11,063</td>
<td>9,374</td>
<td>8,749</td>
<td>7,975</td>
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<td>24,639</td>
<td>25,495</td>
<td>27,025</td>
<td>29,332</td>
<td>27,311</td>
<td>21,251</td>
<td>21,907</td>
<td>20,482</td>
<td>18,087</td>
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<td>(295)</td>
<td>(2,223)</td>
<td>(1,565)</td>
<td>(708)</td>
<td>516</td>
<td>(1,038)</td>
<td>(1,193)</td>
<td>(1,174)</td>
<td>(751)</td>
<td>(207)</td>
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<td>9,539</td>
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<td>9,400</td>
<td>8,339</td>
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<td>68,092</td>
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<td>74,483</td>
<td>70,835</td>
<td>66,262</td>
<td>64,404</td>
<td>58,843</td>
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<td>27,150</td>
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<td>48,558</td>
<td>49,451</td>
<td>47,333</td>
<td>42,159</td>
<td>37,255</td>
<td>36,732</td>
<td>33,972</td>
<td>32,032</td>
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### Net Worth represented by:

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<td>222</td>
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<td>205</td>
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<td>Other Equity:</td>
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<td>43,285</td>
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<td><strong>Total</strong></td>
<td>6,038</td>
<td>45,494</td>
<td>48,558</td>
<td>49,451</td>
<td>47,333</td>
<td>42,159</td>
<td>36,732</td>
<td>33,972</td>
<td>32,032</td>
<td>29,700</td>
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### RATIOS AND STATISTICS

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<td>Net Margin</td>
<td>%</td>
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<td>2.63</td>
<td>3.31</td>
<td>3.95</td>
<td>1.50</td>
<td>2.51</td>
<td>4.70</td>
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<td>3.08</td>
<td>3.18</td>
<td>1.73</td>
<td>1.81</td>
<td>1.75</td>
<td>1.50</td>
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<td>3.62</td>
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<td>Net Interest Cover</td>
<td>Times</td>
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<td>3.08</td>
<td>3.19</td>
<td>2.51</td>
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<td>2.63</td>
<td>5.08</td>
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<td>ROCE</td>
<td>%</td>
<td>3.93</td>
<td>5.13</td>
<td>6.39</td>
<td>5.90</td>
<td>4.30</td>
<td>5.22</td>
<td>4.34</td>
<td>4.22</td>
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<td>%</td>
<td>1.36</td>
<td>2.48</td>
<td>2.90</td>
<td>3.29</td>
<td>1.31</td>
<td>2.48</td>
<td>3.85</td>
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<td>7.56</td>
<td>(0.64)</td>
<td>4.48</td>
<td>7.09</td>
<td>8.88</td>
<td>11.69</td>
<td>11.17</td>
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<td>Diluted EPS</td>
<td>₹</td>
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<td>5.41</td>
<td>6.45</td>
<td>7.55</td>
<td>(0.64)</td>
<td>4.48</td>
<td>7.09</td>
<td>8.87</td>
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<td>11.16</td>
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<td>Cash EPS(^\text{\textasciicircum\textcircled{\textasciicircum}})</td>
<td>₹</td>
<td>10.47</td>
<td>13.01</td>
<td>13.70</td>
<td>14.49</td>
<td>8.95</td>
<td>8.53</td>
<td>11.22</td>
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<td>15.29</td>
<td>14.76</td>
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<td>Dividend per Share(^\text{\textasciicircum\textcircled{\textasciicircum\textasciicircum}})</td>
<td>₹</td>
<td>1.00</td>
<td>1.20</td>
<td>1.20</td>
<td>1.10</td>
<td>1.00</td>
<td>1.00</td>
<td>1.40</td>
<td>1.55</td>
<td>1.50</td>
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<td>Capital Expenditure (Cash outflow)</td>
<td>₹ Crore</td>
<td>1,395</td>
<td>1,263</td>
<td>1,178</td>
<td>1,041</td>
<td>1,399</td>
<td>2,073</td>
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<td>5,531</td>
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<td>Debt Equity Ratio</td>
<td>Times</td>
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<td>0.41</td>
<td>0.57</td>
<td>0.68</td>
<td>0.78</td>
<td>0.75</td>
<td>0.73</td>
<td>0.45</td>
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<td>48,166</td>
<td>43,756</td>
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<td>29,266</td>
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<td>3,61,686</td>
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<td>19,341</td>
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<td>Average Cash LME (Aluminium)</td>
<td>US$</td>
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<td>1,592</td>
<td>1,888</td>
<td>1,773</td>
<td>1,976</td>
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<td>Average Cash LME (Copper)</td>
<td>US$</td>
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<td>7,103</td>
<td>7,855</td>
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\(^\text{\textasciicircum\textcircled{\textasciicircum\textasciicircum}}\) Balance Sheet items are translated at closing exchange rate and Profit and Loss items are translated at average exchange rate.

\(^\text{\textasciicircum\textasciicircum}}\) Including Intangible assets under development

\(^\text{\textasciicircum\textasciicircum\textasciicircum\textasciicircum}}\) Financial restructuring scheme formulated by the Company under the provisions of the Companies Act, approved by the Bombay High Court, to deal with various costs associated with its organic and inorganic growth plan.

\(^\text{\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum}}\) Proposed/Interim Dividend for the Period

\(^\text{\textasciicircum\textasciicircum}}\) Figures for FY 2019-20, FY 2018-19, FY 2017-18, FY 2016-17 and FY 2015-16 are as per Ind AS compliant financial statements. Previous periods figures are as per Previous GAAP financial statements.

\(^\text{\textasciicircum\textasciicircum\textasciicircum\textasciicircum}}\) Including Treasury shares held by the Company

\(^\text{\textasciicircum\textasciicircum}}\) Gross interest coverage ratio is calculated as Operating Profit plus Other Income divided by Interest and Finance Charges plus Finance costs transferred to Capital Work-in-Progress/ Intangible Assets under development

\(^\text{\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum\textasciicircum}}\) Cash EPS is calculated as Profit/ (Loss) for the year plus Depreciation, Amortization and Impairment divided by Weighted average numbers of equity shares.
# Financial Highlights - Consolidated

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<td>Sales and Operating Revenues</td>
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<td>Share in Profit/(Loss) in Equity Accounted Investments (Net of Tax)</td>
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<td>Profit/(Loss) before Non-Controlling Interest</td>
<td>532</td>
<td>3,767</td>
<td>5,495</td>
<td>6,083</td>
<td>1,882</td>
<td>(702)</td>
<td>258</td>
<td>2,195</td>
<td>3,007</td>
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<td>(1)</td>
<td>-</td>
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<td>(596)</td>
<td>20</td>
<td>(20)</td>
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<td>(933)</td>
<td>757</td>
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<td>97</td>
<td>86</td>
<td>-</td>
<td>500</td>
<td>(3,439)</td>
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<td>Profit/(Loss) for the Period had the expenses not adjusted against BRR</td>
<td>532</td>
<td>3,767</td>
<td>5,496</td>
<td>6,083</td>
<td>1,900</td>
<td>(933)</td>
<td>757</td>
<td>2,089</td>
<td>3,027</td>
<td>2,896</td>
<td>5,896</td>
</tr>
</tbody>
</table>

## Financial Position

<p>| | | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Fixed Assets (excluding CWIP)</strong></td>
<td>18,626</td>
<td>1,40,334</td>
<td>1,30,142</td>
<td>1,25,094</td>
<td>1,21,186</td>
<td>1,23,522</td>
<td>1,01,940</td>
<td>87,914</td>
<td>87,914</td>
<td>60,054</td>
<td>53,961</td>
</tr>
<tr>
<td><strong>Net Fixed Assets</strong></td>
<td>12,863</td>
<td>96,916</td>
<td>89,957</td>
<td>87,151</td>
<td>86,501</td>
<td>89,887</td>
<td>86,070</td>
<td>84,223</td>
<td>71,763</td>
<td>58,098</td>
<td>41,657</td>
</tr>
<tr>
<td>Investments</td>
<td>1,249</td>
<td>9,411</td>
<td>9,012</td>
<td>10,781</td>
<td>15,157</td>
<td>12,438</td>
<td>12,346</td>
<td>12,961</td>
<td>10,551</td>
<td>10,855</td>
<td></td>
</tr>
<tr>
<td>Other Non-Current Assets/(Liabilities) (Net)</td>
<td>4,203</td>
<td>31,664</td>
<td>20,538</td>
<td>17,499</td>
<td>14,961</td>
<td>15,074</td>
<td>16,571</td>
<td>18,289</td>
<td>16,901</td>
<td>11,771</td>
<td>11,330</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>16,668</td>
<td>1,25,584</td>
<td>1,09,926</td>
<td>1,06,934</td>
<td>1,07,752</td>
<td>1,08,549</td>
<td>1,08,549</td>
<td>94,692</td>
<td>74,662</td>
<td>60,700</td>
<td></td>
</tr>
<tr>
<td>Capital Employed</td>
<td>8,927</td>
<td>67,257</td>
<td>52,416</td>
<td>52,074</td>
<td>63,817</td>
<td>67,552</td>
<td>68,467</td>
<td>66,163</td>
<td>57,603</td>
<td>41,042</td>
<td>29,460</td>
</tr>
</tbody>
</table>
### 2019-20\(^\circ\) 2019-20\(^\circ\) 2018-19\(^\circ\) 2017-18\(^\circ\) 2016-17\(^\circ\) 2015-16\(^\circ\) 2014-15 2013-14 2012-13 2011-12 2010-11

**Net Worth represented by:**

<table>
<thead>
<tr>
<th></th>
<th>2019-20(^\circ)</th>
<th>2018-19(^\circ)</th>
<th>2017-18(^\circ)</th>
<th>2016-17(^\circ)</th>
<th>2015-16(^\circ)</th>
<th>2014-15</th>
<th>2013-14</th>
<th>2012-13</th>
<th>2011-12</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$ in Mn</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity Share Capital</strong></td>
<td>29</td>
<td>222</td>
<td>222</td>
<td>223</td>
<td>205</td>
<td>207</td>
<td>206</td>
<td>191</td>
<td>191</td>
<td>191</td>
</tr>
<tr>
<td><strong>Other Equity:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Warrants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>541</td>
<td>541</td>
<td>541</td>
<td>541</td>
</tr>
<tr>
<td>Equity Component of Compound Financial Instruments</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reserves and Surplus</td>
<td>7,377</td>
<td>55,577</td>
<td>52,599</td>
<td>47,644</td>
<td>41,770</td>
<td>36,443</td>
<td>38,122</td>
<td>40,393</td>
<td>34,597</td>
<td>31,179</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>333</td>
<td>2,514</td>
<td>4,676</td>
<td>6,980</td>
<td>4,062</td>
<td>3,956</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Worth</strong></td>
<td>7,740</td>
<td>58,317</td>
<td>57,501</td>
<td>54,851</td>
<td>46,059</td>
<td>40,607</td>
<td>38,329</td>
<td>40,605</td>
<td>35,330</td>
<td>31,911</td>
</tr>
</tbody>
</table>

#### RATIOS AND STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2019-20(^\circ)</th>
<th>2018-19(^\circ)</th>
<th>2017-18(^\circ)</th>
<th>2016-17(^\circ)</th>
<th>2015-16(^\circ)</th>
<th>2014-15</th>
<th>2013-14</th>
<th>2012-13</th>
<th>2011-12</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Margin</strong></td>
<td>%</td>
<td>12.15</td>
<td>11.87</td>
<td>12.02</td>
<td>12.13</td>
<td>8.71</td>
<td>8.38</td>
<td>9.21</td>
<td>9.53</td>
<td>9.91</td>
<td>10.76</td>
</tr>
<tr>
<td><strong>Net Margin</strong></td>
<td>%</td>
<td>3.19</td>
<td>4.21</td>
<td>5.25</td>
<td>1.85</td>
<td>(0.25)</td>
<td>0.80</td>
<td>2.42</td>
<td>3.68</td>
<td>4.12</td>
<td>3.33</td>
</tr>
<tr>
<td><strong>Gross Interest Cover</strong></td>
<td>Times</td>
<td>3.57</td>
<td>4.37</td>
<td>3.83</td>
<td>2.36</td>
<td>1.91</td>
<td>1.95</td>
<td>1.85</td>
<td>2.04</td>
<td>3.16</td>
<td>3.56</td>
</tr>
<tr>
<td><strong>Net Interest Cover</strong></td>
<td>Times</td>
<td>3.70</td>
<td>4.40</td>
<td>3.84</td>
<td>2.36</td>
<td>1.95</td>
<td>2.41</td>
<td>3.44</td>
<td>4.26</td>
<td>5.10</td>
<td>4.59</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>%</td>
<td>8.28</td>
<td>10.79</td>
<td>9.74</td>
<td>8.27</td>
<td>5.06</td>
<td>5.99</td>
<td>5.30</td>
<td>6.32</td>
<td>8.17</td>
<td>9.36</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>%</td>
<td>6.46</td>
<td>9.56</td>
<td>11.09</td>
<td>4.13</td>
<td>(0.62)</td>
<td>2.23</td>
<td>5.36</td>
<td>8.57</td>
<td>10.64</td>
<td>8.46</td>
</tr>
<tr>
<td><strong>Basic EPS</strong></td>
<td>₹</td>
<td>16.94</td>
<td>24.67</td>
<td>27.30</td>
<td>9.22</td>
<td>(4.55)</td>
<td>4.14</td>
<td>10.91</td>
<td>15.81</td>
<td>17.74</td>
<td>12.64</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>₹</td>
<td>16.93</td>
<td>24.66</td>
<td>27.29</td>
<td>9.22</td>
<td>(4.55)</td>
<td>4.13</td>
<td>10.91</td>
<td>15.81</td>
<td>17.74</td>
<td>12.63</td>
</tr>
<tr>
<td><strong>Cash EPS</strong>(^)**</td>
<td>₹</td>
<td>40.03</td>
<td>46.07</td>
<td>47.98</td>
<td>30.91</td>
<td>20.78</td>
<td>21.53</td>
<td>28.73</td>
<td>30.75</td>
<td>32.70</td>
<td>27.25</td>
</tr>
<tr>
<td><strong>Capital Expenditure (Cash outflow)</strong></td>
<td>₹ Crore</td>
<td>6,791</td>
<td>6,005</td>
<td>3,001</td>
<td>2,938</td>
<td>4,245</td>
<td>5,978</td>
<td>9,424</td>
<td>11,871</td>
<td>12,512</td>
<td>7,909</td>
</tr>
<tr>
<td><strong>Debt Equity Ratio</strong></td>
<td>Times</td>
<td>1.15</td>
<td>0.91</td>
<td>0.95</td>
<td>1.39</td>
<td>1.66</td>
<td>1.79</td>
<td>1.63</td>
<td>1.63</td>
<td>1.29</td>
<td>1.02</td>
</tr>
<tr>
<td><strong>Book Value Per Share</strong></td>
<td>₹</td>
<td>259.56</td>
<td>256.07</td>
<td>244.33</td>
<td>205.32</td>
<td>196.64</td>
<td>185.61</td>
<td>196.67</td>
<td>184.53</td>
<td>166.68</td>
<td>151.61</td>
</tr>
</tbody>
</table>

*Balance Sheet items are translated at closing exchange rate and Profit and Loss items are translated at average exchange rate.

**Including Intangible assets under development.

Financial restructuring scheme formulated by the Company under the provisions of the Companies Act, approved by the Bombay High Court, to deal with various costs associated with its organic and inorganic growth plan.

**Figures for FY 2019-20, 2018-19, FY 2017-18, FY 2016-17 and FY 2015-16 are as per Ind AS compliant financial statements. Previous periods figures are as per Previous GAAP financial statements.

**Gross interest coverage ratio is calculated as Operating Profit plus Other Income divided by Interest and Finance Charges plus Finance costs transferred to Capital Work-in-Progress/Intangible Assets under development

**Cash EPS is calculated as Profit/ (Loss) for the year plus Depreciation, Amortization and Impairment divided by Weighted average numbers of equity shares
DIRECTORS’ REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 61st Annual Report and the Audited Standalone and Consolidated Financial Statements of your Company for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS:

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>40242</td>
<td>45749</td>
<td>118144</td>
<td>130542</td>
</tr>
<tr>
<td>Other Income</td>
<td>739</td>
<td>940</td>
<td>1186</td>
<td>1127</td>
</tr>
<tr>
<td>Profit Before Interest, Tax and Depreciation (PBITDA)</td>
<td>4403</td>
<td>5186</td>
<td>15536</td>
<td>16627</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>1708</td>
<td>1693</td>
<td>5091</td>
<td>4777</td>
</tr>
<tr>
<td>Impairment Loss/ (Reversal) of Non-Current Assets (Net)</td>
<td>-</td>
<td>-</td>
<td>44</td>
<td>(11)</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>1679</td>
<td>1683</td>
<td>4197</td>
<td>3778</td>
</tr>
<tr>
<td>Profit before Exceptional Items and Tax &amp; Share in Profit / (Loss) in Equity Accounted Investments</td>
<td>1016</td>
<td>1810</td>
<td>6204</td>
<td>8083</td>
</tr>
<tr>
<td>Share of Equity Accounted Investments</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Profit before Exceptional Items and Tax</td>
<td>1016</td>
<td>1810</td>
<td>6208</td>
<td>8083</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>(64)</td>
<td>-</td>
<td>(284)</td>
<td>-</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>952</td>
<td>1810</td>
<td>5924</td>
<td>8083</td>
</tr>
<tr>
<td>Tax Expenses</td>
<td>332</td>
<td>605</td>
<td>2157</td>
<td>2588</td>
</tr>
<tr>
<td>Profit/ (Loss) for the period</td>
<td>620</td>
<td>1205</td>
<td>3767</td>
<td>5495</td>
</tr>
<tr>
<td>Other Comprehensive Income (Loss)</td>
<td>(3400)</td>
<td>(1681)</td>
<td>(2723)</td>
<td>(2466)</td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>(2780)</td>
<td>(476)</td>
<td>1044</td>
<td>3029</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>2.79</td>
<td>5.41</td>
<td>16.94</td>
<td>24.67</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

Appropriations to Reserves:

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>2019-20</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance in Retained Earnings and Other Comprehensive Income</td>
<td>9865</td>
<td>10800</td>
</tr>
<tr>
<td>Total Comprehensive Income for the Current Year</td>
<td>(2780)</td>
<td>(477)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(316)</td>
<td>(307)</td>
</tr>
<tr>
<td>Transition Impact - Leases (Ind AS 116)</td>
<td>(9)</td>
<td>-</td>
</tr>
<tr>
<td>Hedging (Gain)/ Loss and cost of hedging transferred to non financial assets</td>
<td>14</td>
<td>(1)</td>
</tr>
<tr>
<td>Transferred to Debenture Redemption Fund</td>
<td>(150)</td>
<td>(150)</td>
</tr>
<tr>
<td>Closing Balance in Retained Earnings and Other Comprehensive Income</td>
<td>6624</td>
<td>9865</td>
</tr>
</tbody>
</table>

Dividend:

For the year ended 31st March, 2020, the Board of Directors of your Company has recommended dividend of ₹ 1.00 per share (previous year ₹ 1.20 per share) to equity shareholders.

Equity shares that may be allotted upon exercise of options granted under the Employee Stock Option Scheme and out of the Share Capital Suspense before the Book Closure for payment of dividend will rank pari passu with the existing shares and shall also be entitled to receive the aforesaid dividend.

In terms of provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, herein after referred to as “Listing Regulations” your Company has formulated a Dividend Distribution Policy. The Policy is given in Annexure-I to the Annual Report and is also accessible from your Company’s website www.hindalco.com.

OVERVIEW AND STATE OF THE COMPANY’S AFFAIRS:

Standalone full year highlights:

The Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2020 have been prepared in accordance with the Indian Accounting Standards (IND AS) as notified by the Ministry of Corporate Affairs.

Your Company registered a revenue of ₹ 40,242 crores for the fiscal year 2020 vs ₹ 45,749 crores in the previous year. EBITDA (Earnings before Interest, Tax, Depreciation
and Amortisation) stood at ₹ 4,403 crores, down 15 per cent compared to the last year, due to lower realisations in Aluminium on account of lower LME and lower Copper. EBITDA on account of lower volumes and by-product realizations. Depreciation was higher by 1 per cent due to progressive capitalization in FY20. The Finance Cost was flat Year on Year at ₹ 1,679 crores in FY20 versus ₹ 1,683 crores in FY19. There was no prepayment of loans, as well as no new long term loans were drawn during the financial year 2019-20. The Profit before Tax (and Before Exceptional Items) stood at ₹ 1,016 crore, down by 44 per cent compared to the previous year due to lower EBITDA. Net Profit for FY20 stood at ₹ 620 crores as compared to ₹ 1,205 crore during the previous year.

**Consolidated Full Year Highlights:**

Hindalco’s Consolidated Revenue stood at ₹ 1,18,144 crore for FY20 compared to ₹ 1,30,542 crore in the previous year down 9 per cent due to lower global aluminium prices. The Company recorded consolidated EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) of ₹ 15,536 crore, down by 7 per cent due to lower realisations. Consolidated Profit before Tax (and Before Exceptional Items) was ₹ 6,208 crore in FY20, down by 23 per cent compared to the previous year on account of lower EBITDA and higher interest cost impacted by one time refinancing cost of ₹ 568 crores in FY20. Net Profit after Tax in FY20, stood at ₹ 3,767 crores compared to ₹ 5,495 crores in the previous year down 31 per cent Year on Year. For detailed analysis, refer to the Management Discussion and Analysis section of the Annual Report.

**Highlights of the Company’s Subsidiaries:**

1. **Utkal Alumina International Limited**

   Utkal Alumina revenues were ₹ 2,653 crore in FY20 compared to ₹ 4,073 crore in FY19 down 35 per cent because of lower transfer pricing on account of subdued global alumina prices. The EBITDA for FY20 stood at ₹ 992 crore lower by 58 per cent compared to ₹ 2,355 crore in FY19. The Profit after Tax in FY20 was ₹ 317 crore versus ₹ 1,425 crore in FY19 down by 78 per cent Year on Year on account of lower EBITDA in FY20. (Refer to the table below for comparison in FY20 versus FY19 key financial number)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY2019-20</th>
<th>FY2018-19</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,653</td>
<td>4,073</td>
<td>(35%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>992</td>
<td>2,355</td>
<td>(58%)</td>
</tr>
<tr>
<td>PAT</td>
<td>317</td>
<td>1,425</td>
<td>(78%)</td>
</tr>
</tbody>
</table>

2. **Novelis Inc.**

   The Performance highlights of Novelis Inc. are provided in detail for FY20 versus FY19 in the Management Discussion and Analysis Section of the Annual Report.

**KEY INITIATIVES:**

In India operations, the Utkal’s Alumina refinery brownfield capacity expansion, by 500 Kt, is expected to be completed in the later half of FY21. This project was at a capital outlay of around ₹ 1,500 crore. This will further help strengthen the Company’s integration and boost the availability of best-in-class alumina and in a reduction of the overall cost of production going forward. In the downstream expansion, the Company made some progress towards enhancing capacities in extrusion press and capabilities in the products such as Circles and Hard Alloys and invested in the new scrap furnace at Hirakud facility. These on-going downstream expansion projects will enhance the Company’s capabilities and becoming further LME delinked.

Novelis recently announced expansion projects of 200 Kt automotive finishing facility in Guthrie, Kentucky in the US and additional 100 Kt of Auto finishing line in China, is progressing well and is expected to be commission in FY21. The rolling, casting and recycling capacity in Pinda, Brazil to meet growing customer demand is also expected to be commission in FY22. In addition to this, Novelis investment to expand and upgrade recycling capacity at its Greensboro facility in the US is also expected to be completed by FY22.

On 14th April 2020, Novelis completed the acquisition of US-Based Aleris Corp. This will enhance its Asia operations with full metal chain integration; further, diversify its portfolio with its entry into the aerospace segment. Currently, the integration process has commenced while driving synergies and unlock value. Divestment procedures for automotive assets in Lewisport in the US and Duffel in Europe is underway.

**HUMAN RESOURCES:**

Several innovative people - focused initiatives have been instituted at the group level, and these are translated into action at all of the group companies. Our basic objective is to ensure that a robust talent pipeline and a high-performance culture, centred around accountability is in place. We feel this is critical to enable us retain our competitive edge.

**RESEARCH AND DEVELOPMENT:**

Your Company’s Research & Development (R&D) activities are focused on providing innovative, cost-effective and sustainable solutions to support consistent growth of business. The R&D activities of your Company include process, product and application development, to develop short term as well as long term solutions to the issues faced by non-ferrous sector, such as, raw material quality, cost effective management of waste generated during processing, recovery of value from by-product as well as any waste products, developing better understanding of the science of processes, reducing the specific energy consumption and carbon footprint etc. Specific programs have also been
DIRECTORS’ REPORT

initiated to foster better understanding of the requirement of existing and prospective customers, and to provide a better service through application development, so as to increase your company's market share in the chosen market space. Technical competencies developed by your company will go a long way in terms of quick absorption of technologies, enabling pushing boundaries of our processes, so as to increase the economic performance and improve our new product/new application pipeline to address the impending market opportunities.

Your Company already operates two Hindalco Innovation Centres (HIC), one HIC-Alumina at Belagavi working on R&D of bauxite ore, alumina refining and specialty alumina, hydrate products; as well as waste management; and one HIC-SemiFab located at Taloja, near Mumbai, working in the area of tribology, energy and environment management and aluminium fabricated products and new applications. Additionally, R&D Team at Birla Copper, Dahej, is focusing on maximisation of copper recovery as well recovery of various metal values, such as, Selenium, Tellurium, Nickel, Bismuth, etc., from the effluent generated in the plant and value added applications of the solid wastes generated, namely, copper slag and phospho-gypsum. In addition, your company engages the Aditya Birla Group’s corporate research and development centre, Aditya Birla Science and Technology Company Private Limited (“ABSTCPL”), for conducting R&D in select areas of work through chartered R&D projects. These are based on the domain expertise and R&D facilities available in ABSTCPL. The engagement has resulted into patent applications, which have been and will be assigned to your company on the grant of the patent. ABSTCPL’s forte of having multidisciplinary teams of technical experts, scientists and engineers, enables your company to develop building competencies in select areas, as a long term value to business. Both the HICs at Belagavi and Taloja as well as ABSTCPL are DSIR, GOI recognised R&D Centres.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements for the year ended 31st March, 2020 have been prepared by your Company in accordance with the provisions of the Companies Act, 2013, (“the Act”) read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the provisions of Listing Regulations and forms part of the Annual Report.

EMPLOYEE STOCK OPTION SCHEMES:

ESOS – 2006:

During the year ended 31st March, 2020, the Company has allotted 3,59,415 fully paid-up equity share of ₹1/- each of the Company (previous year 52,330) on exercise of options under ESOS 2006.

ESOS – 2013:

During the year ended 31st March, 2020, the Company has allotted 3,33,027 fully paid-up equity share of ₹1/- each of the Company (previous year 515,013) on exercise of options under ESOS 2013.

The details of Stock Options and Restricted Stock Units granted under the above mentioned Schemes are available on your Company’s website viz. www.hindalco.com.

A certificate from the statutory auditor on the implementation of your Company’s Employees Stock Option Schemes will be placed on the day of Annual General Meeting on NSDL’s portal for inspection by the members.

There is no material change in the Schemes and the aforementioned schemes are in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

CORPORATE GOVERNANCE:

Your Directors reaffirm their continued commitment to good corporate governance practices. Your Company fully adheres to the standards set out by the Securities and Exchange Board of India for Corporate Governance practices.

The entire report on Corporate Governance forms part of the Annual Report.

ABRIDGED ANNUAL REPORT:

Ministry of Corporate Affair (‘MCA’) General circular No. 20/2020 dated 05th May, 2020 states that considering prevailing situation and owing to difficulties involved in dispatching of physical copy of financial statements (including Board’s report, Auditor’s report or other documents required to be attached therewith), such statements shall be sent only by email to the members, trustees for the debenture-holder of the company and to all other persons so entitled. Therefore, Company has decided neither to print Full Annual Report nor Abridged Annual Report. Requested to take note of the same.

DIRECTORS’ RESPONSIBILITY STATEMENT:

As stipulated in Section 134(3)(c) of the Act, your Directors subscribe to the “Directors’ Responsibility Statement” and confirm that:

a) in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departures;

b) the accounting policies selected have been applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2020 and of the profit of your company for that period;
c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
d) the annual accounts of your Company have been prepared on a going concern basis;
e) your Company had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;
f) your Company has devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:
The information on conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) (m) of the Act, read with Companies (Accounts) Rules, 2014 is set out in Annexure-II to the Annual Report.

PARTICULARS OF EMPLOYEES:
In accordance with the provisions of Section 197(12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are to be set out in the Directors' Report, as an addendum thereto. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the registered office of your Company.

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as Annexure-III to the Annual Report.

DIRECTORS:
Board Constitution and Changes:
Mr. Debnarayan Bhattacharya (DIN: 00033553) will retire from office by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for reappointment. Mr. Bhattacharya has given required declaration under the Act.

Mr. Girish Dave (DIN: 00036455), ceased to be Independent Director of your Company due to age and other personal reasons w.e.f. 11th November, 2019.

Mr. Ram Charan (DIN:03464530) Independent Director has resigned w.e.f 14th August 2020 due to his increase in personal Commitments.

Mr. Sudhir Mital (DIN: 08314675) is appointed as Independent Director on the Board of the Company w.e.f. 11th November, 2019, subject to shareholder approval at the ensuing Annual General Meeting. Mr. Mital has given the required declarations under the Act and the Listing Regulations.

Mr. Anant Maheshwari (DIN: 02963839) is appointed as Independent Director on the Board of the Company w.e.f. 14th August, 2015, subject to shareholder approval at the ensuing Annual General Meeting. Mr. Maheshwari has given the required declarations under the Act and Listing Regulations.

Mr. Yazdi Piroj Dandiwala (DIN: 01055000) was appointed Independent director of the Company for the period of five years in Annual General Meeting held on 16th September 2015. Mr. Dandiwala is eligible to re-appoint as independent director for the further period of five year.

As per the requirement of Listing Regulations all listed Companies are required to appoint or continue the directorship of all non-executive director who has attained the age of seventy five years by way of passing special resolution. Mrs. Rajashree Birla (DIN: 00022995), is non-executive director will be attaining the age of 75 years in September, 2020. Therefore special resolution from shareholders is required for continuing her directorship in the Company.

The Board recommends, appointment of Mr. Sudhir Mital, Mr. Anant Maheshwari, continuing directorship of Mrs. Rajashree Birla and re-appointment of Mr. D. Bhattacharya & Mr. Y. P. Dandiwala. Item seeking your approval is included in the Notice convening the Annual General Meeting.

Brief resumes of the directors being appointed/ re-appointed is forming part of the notice of the ensuing Annual General Meeting.

All the directors being appointed/reappointed have given required declaration under the Act and Listing Regulations.

Independent Directors Statement:
Independent Directors on your Company's Board have submitted declarations of independence to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Policy on appointment and remuneration of Directors and Key Managerial Personnel:
The Nomination and Remuneration Committee has formulated the remuneration policy of your Company which is attached as Annexure-IV to the Annual Report.
DIRECTORS’ REPORT

Meetings of the Board:
The Board of Directors of your Company met six times during the year, details of which are given in the Corporate Governance Report forming part of the Annual Report.

Annual Evaluation:
Pursuant to the provisions of the Act and Listing Regulations, the directors has carried annual performance evaluation of Board, Independent Directors, Non-executive Directors, Executive Directors, Committee and Chairman of the Board.

The evaluation framework focused on various aspects of the Board and Committees such as review, timely information from management etc. Also, the performance of individual directors was divided into Executive, Non-Executive and Independent Directors and based on the parameters such as contribution, attendance, decision making, action oriented, external knowledge etc.

Board members have evaluated Independent Directors, Non-executive Directors, Executive Directors, Committee and Chairman of the Board. The result of evaluation was satisfactory and meets the requirements of the Company. Board fully agreed and rated 100 per cent on its functioning, skill sets and working atmosphere. Independent Directors scored well on expressing their views and in understanding the Company and its requirements. Non-Executive Directors scored well in understanding the Company and its requirements and keep themselves updated on the areas to be discussed. Executive Directors are action oriented and ensures timely implementation of the Board decisions. Board is completely satisfied with the functioning of various Committees. Board has full faith in the Chairman in leading the Board effectively and ensuring contribution from all its members.

AUDIT COMMITTEE:
The Audit Committee comprises of Mr. K. N. Bhandari, Independent Director, Mr. Vikas Balia, Independent Director and Mr. Y. P. Dandiwala, Independent Directors. Mr. Satish Pai: Managing Director and Mr. Praveen Kumar Maheshwari: Chief Financial Officer and Whole-Time Director are the permanent invitees. In the meeting of Audit Committee Further details relating to the Audit Committee are provided in the Corporate Governance Report forming part of the Annual Report.

KEY MANAGERIAL PERSONNEL:
In terms of provisions of Section 203 of the Act, Mr. Satish Pai: Managing Director, Mr. Praveen Kumar Maheshwari: Chief Financial Officer and Whole-Time Director and Mr. Anil Malik: Company Secretary are the Key Managerial Personnel of your Company.

VIGIL MECHANISM:
Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company’s Code of Conduct. Adequate safeguards are provided against victimisation to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

The vigil mechanism is available on your Company’s website viz. www.hindalco.com.

AUDITORS:
Statutory Auditors:
M/s. Price Waterhouse & Co. Chartered Accountants LLP (Registration No. 304026E/E-300009), are the Statutory Auditors of the Company who are appointed for a period of five years i.e., to hold office from the conclusion of the Fifty Eighth Annual General Meeting held in 2017 till the conclusion of the Sixty third Annual General Meeting of the Company, to be held in the calendar year 2022.

The observation made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

Cost Auditors:
Pursuant to provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company have on the recommendation of the Audit Committee, appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai as Cost Auditors, to conduct the cost audit of your Company for the financial year ending 31st March, 2021, at a remuneration as mentioned in the Notice convening the Annual General Meeting. As required under the Act, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to Cost Auditors forms part of the Notice of the ensuing Annual General Meeting.

Secretarial Auditors:

As per Regulation 24A of the Listing Regulations, material unlisted subsidiaries of a listed entity incorporated in India is required to annex a Secretarial Audit Report issued by a Company Secretary in practice.
In compliance with the above requirement, the Secretarial Audit Report of Utkal Alumina International Limited, a material subsidiary of your Company, is given in Annexure-VB to the Annual Report.

The Secretarial Audit Reports do not contain any qualification, reservation or adverse remark.

ENVIRONMENT PROTECTION AND POLLUTION CONTROL:

Your Company is committed to sustainable development. A detailed report of the Company's initiatives and commitment to environment conservation is part of Sustainability & Business Responsibility Report forming part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantee and Investments covered under the provisions of Section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (“CSR”) Committee which is chaired by Mrs. Rajashree Birla. The other Members of the Committee for the financial year ending 31st March, 2020 were Mr. Y. P. Dandiwala, Independent Director, Mr. A. K. Agarwala, Non-Executive Director, Mr. Satish Pai: Managing Director and Mr. D. Bhattacharya: Non-Executive Director. Dr. Pragnya Ram, Group Executive President, Corporate Communications & CSR is a permanent invitee to the Committee.

Your Company also has in place a CSR Policy and the same is available on your Company’s website viz. www.hindalco.com. The Committee recommends to the Board activities to be undertaken during the year.

Your Company is a caring corporate citizen and lays significant emphasis on development of the communities around which it operates. Your Company has identified several projects relating to Social Empowerment & Welfare, Infrastructure Development, Sustainable Livelihood, Health Care and Education during the year and initiated various activities in neighbouring villages around plant locations. During the Financial Year 2019-20, the Company has spent ₹ 38.53 Crores under Section 135 of the Act on CSR activities, which represent 2.05 % of average net profits of the Company for last three financial years.

The Annual Report on CSR activities is attached as Annexure-VI to the Annual Report.

RISK MANAGEMENT:

Pursuant to the Regulation 21 of the Listing Regulations of the Company has constituted Risk Management Committee, which is mandated to review the risk management plan/process of your company.

Risk evaluation and management is an ongoing process within the organization. Your Company has comprehensive risk management policy which is periodically reviewed by the Risk Management Committee.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

During the financial year, your Company entered into related party transactions which were on arm's length basis and in the ordinary course of business. There are no material transactions with any related party as defined under Section 188 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations. All related party transactions have been approved by the Audit Committee of your Company.

The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on your Company's website viz. www.hindalco.com.

EXTRACT OF ANNUAL RETURN:

In terms of the provisions of Section 92 (3) of the Act read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of your Company for the financial year ended 31st March, 2020 is given in Annexure-VII to the Annual Report.

BUSINESS RESPONSIBILITY REPORT:

As per Regulation 34 (2)(f) of Listing Regulations a separate section of Business Responsibility Report forms part of the Annual Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined by the Audit Committee.

The IA department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its
DIRECORS’ REPORT

compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal auditors, the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

INTERNAL FINANCIAL CONTROL:

Your directors confirm having laid down internal financial controls and that such internal financial controls are adequate and were operating effectively.

SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANIES:

The financial statements of your Company’s subsidiaries and related information have been placed on the website of your Company viz. www.hindalco.com.

In accordance with the provisions of the Section 129 (3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the subsidiaries, associates and Joint Venture is attached as Annexure-VIII to the Annual Report.

The names of Companies which have become or ceased to be subsidiaries, Joint Ventures and associates are also provided in the aforesaid statement.

OTHER DISCLOSURES:

• There were no material changes and commitments affecting the financial position of your Company between end of financial year and the date of report.
• Your Company has not issued any shares with differential voting.
• There was no revision in the financial statements.
• Your Company has not issued any sweat equity shares.
• Mr. Satish Pai is a director on the Board of Novelis Inc, wholly owned subsidiary. He is in receipt of annual fee of US$ 1,50,000 in the calendar year 2019. Mr. Praveen Kumar Maheshwari: Whole Time Director and Chief Financial Officer has not received any commission/Remuneration from your Company’s subsidiaries.
• There is no change in the nature of business.
• During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March, 2020, there were no deposits which were unpaid or unclaimed and due for repayment.
• There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company’s operations in future.
• As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has complied with provisions relating to the constitution of Internal Complaint Committee under POSH.
• Directors of your Company hereby state and confirm that the Company has complied with all the applicable Secretarial Standards.

APPRECIATION:

Your Directors place on record their sincere appreciation for the assistance and guidance provided by the Honourable Ministers, Secretaries and other officials of the Ministry of Mines, Ministry of Coal, the Ministry of Chemicals and Fertilizers and various State Governments. Your directors thank the Financial Institutions and Banks associated with your Company for their support as well.

Your Company’s employees are instrumental in your Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged.

Your involvement as Shareholders is greatly valued. Your directors look forward to your continuing support.

For and on behalf of the Board

Satish Pai
Managing Director
DIN:06646758

K.N. Bhandari
Independent Director
DIN:00026078

Place : Mumbai
Dated : 14th August, 2020
Dividend Distribution Policy

1. Introduction
   1.1. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly the Board of Directors of the Company (‘the Board’) has approved this Dividend Distribution Policy for the Company at its meeting held on 13th February, 2017.
   1.2. The objective of this policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

2. Target Dividend Payout
   2.1. Dividend will be declared out of the current year’s Profit after Tax of the Company.
   2.2. Only in exceptional circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.
   2.3. ‘Other Comprehensive Income’ (as per applicable Accounting Standards) which mainly comprises of unrealized gains/losses, will not be considered for the purpose of declaration of dividend.
   2.4. The Board will endeavor to achieve a dividend payout ratio (gross of dividend distribution tax) in the range of 10 % to 30% of the Standalone Profit after Tax, net of dividend payout to preference shareholders, if any.

3. Factors to be Considered for Dividend Payout
   The Board will consider various internal and external factors, including but not limited to the following before making any recommendation for dividends:
   • Stability of earnings
   • Cash flow position from operations
   • Future capital expenditure, inorganic growth plans and reinvestment opportunities
   • Industry outlook and stage of business cycle for underlying businesses
   • Leverage profile and capital adequacy metrics
   • Overall economic / regulatory environment
   • Contingent liabilities
   • Past dividend trends
   • Buyback of shares or any such alternate profit distribution measure
   • Any other contingency plans

4. General
   Retained earnings will be used for the Company’s growth plans, working capital requirements, debt repayments and other contingencies.

5. Review
   This policy would be subject to revision / amendment on a periodic basis as may be necessary.

6. Disclosure
   This policy (as amended from time to time) will be available on the company’s website and in the Annual Report.
ANNEXURE-II

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

a. The steps taken on Conservation of Energy

i. Periodic Energy Audit conducted in all units as per schedule.

ii. During the year, M&V (monitoring & verification) audit, as part of BEE PAT (Perform, Achieve & Trade) scheme were conducted in six units (incl UAIL). Actual savings achieved is significantly higher than the target set by BEE and ESCerts (Energy Savings Certificates) recommended for issuance against the excess savings.

iii. Facilitating and coaching young professionals for BEE Energy Manager/Auditor examination. In addition to the existing Energy Managers/Auditors across all units, additional 15 professionals qualified during 2019-20.

iv. During the year, three large units were Certified ISO 50001.

v. New Generation Economiser, replacement of pump seals and various actions to reduce steam consumption in Aluminium Refinery.

vi. Reduction in Aluminium Smelter energy consumption through phased implementation of copper insert collector bar, clamp modification, Step stub Anode, pot noise control etc.

vii. Power Plant efficiency improvement by improving Condenser Vacuum through improvised tube cleaning, TG overhauling, duct modification through CFD study etc.

viii. Replacement of Cooling Tower Fan blade with E-Glass Epoxy FRP blade.

ix. Installation of fan less Cooling Tower.

x. Auxiliary power reduction through automation & process optimization.

xi. Rationalization of motor, pump & fan capacities and replacement of inefficient pumps & motors with high efficiency pumps & motors.

xii. Energy efficient & corrosion resistant coating in pumps.

xiii. Revamping of Preheating/Annealing Furnaces.

xiv. Phased replaced of conventional light with energy efficient LED Light.

xv. Installation of VFD in variable load application.

xvi. Compressed Air system efficiency improvement through replacement of inefficient compressors, arresting leakages, process optimization etc.

xvii. Power Factor improvement.

b. Steps taken by the Company for utilising alternate sources of energy.

i. Solar PV Power Plant for captive consumption, installed at three locations totaling 13.5 MWp (including UAIL) during the year.

ii. Hydo Power Plant (under JV) of 4.0 MW commissioned during the year for captive consumption.

iii. Contract has been finalized and project initiated for Solar PV Power Plant at three location totaling 49.0 MWp.

iv. Feasibility study is underway for additional 7.0 MWp Solar PV Power Plant.

c. The capital investment on energy conservation equipment & projects.

The Capital investment on Energy conservation equipment & projects for the year was INR 115 crore.

B. TECHNOLOGY ABSORPTION:

A. Efforts made towards technology absorption:

i. Belagavi completed the 50 days trial of Humate removal Chemical (N-85531) during the year for process liquor purity improvement. Results being encouraging, extended trial is planned at Belagavi.

ii. Successful trial of scale inhibitor (Max-HT) was taken in Live Steam Heaters in Digestion section at Belagavi. The same has been established now as a regular Chemical.

iii. Advance Process Control (APC) - A statistical model of the Rotary kiln-2 for calcination of alumina is developed using Historical data analysis to predict product quality parameters and for on-line optimization and
advanced process control of rotary calciner. A simulation tool is developed which will act as a virtual kiln. The model is hooked up to fetch the real time data from DCS and can predict the crucial product quality parameter.

iv. IPF - To transform existing manufacturing facilities into smart facility by introducing real time intelligence and decision-making system for all stakeholders and to create single digital manufacturing platform for Belagavi plant, IOT (Internet of Things) based IPF (Intelligent Plant Framework) implemented in Grinding and Digester section. This provides Real time monitoring of: 1. Machine performance and variations, 2. Quality variations, 3. Various in-process time losses. This platform will now be extended to entire Belagavi plant.

v. Specific Areas in which R&D has been carried out during the year at HIC Belagavi include:

a) Process ability studies on different types of bauxites and its blends, in order to find out an optimum process parameters of Bayer plant leading to the improvement of efficiency of the plant.

b) Process development to reduce colloidal iron from the Bayer liquor, leading to the improvement of quality of the hydrate.

c) Development of a high-polishing grade alumina.

d) Development of a normal soda super-ground alumina for high-end ceramic application.

e) Development of nano-hydrate for fibre coating and fire retardant filler for different polymeric applications.

f) Development of siloxane coated superfine, as well as “milled & microfined” hydrates for improving the properties of the polymeric products.

g) Development of environment friendly green cold tamping paste for smelting and other metal industries.

h) Research on the usage of bauxite residue for road construction.

vi. Following Technology development efforts has been undertaken at Mahan Smelter:


b) Modification of teeth segment replacement of secondary crusher.

c) Automated Crushing & Feeding system of Solid Pitch.

d) Additional Magnetic Head pulley at secondary crusher inlet to improve anode quality.

e) Increase in Anode slot height by 10 mm and supply of unidirectional slot pattern in Baked Anodes for improvement in DC power consumption at Pot Room.

f) Cast House Server Virtualization for enhanced reliability and efficiency in Cast House and its connectivity has been established with ALPSYS, Lab., Renukoot and Mumbai.

g) IBA High speed Trending software for big data analysis of process parameters & BDs in cast house i.e Ingot & Sow Casting, WRM, CHTAs line through IBA Software.

h) Smart Earth tester installation in HFO area for tanker earthing.

i) Digitization the in house report generation for NET & Gross Weight between the Potroom & Cast house.

j) Robotic technology used for additional 3rd skimming cycle in Sow Caster to eliminated manual skimming being done by operators to Improve Sow Quality system/safety.

k) DG (320 KVA) set commissioning to make power available in case of power outage/blackout for molten metal pouring in furnace & lighting.

l) Cast House - Stack emission monitoring for Cast house furnaces.

m) Installation of HFTR & Micro pulse in Unit-6&3 for SPM Control at Power Plant.

n) Installation of De-Nox burner in Unit-3 for Nox control at Power Plant.

vii. Technology absorption efforts at Utkal Alumina during FY20 were as follows:

a) 5MW Solar Power plant installed and commissioned from Jan-2020.

b) New alternate flocculant introduced in lead Deep cone washers (DCW) in place of existing flocculant. Plant trial was conducted in the DCWs after successful laboratory trials. Dosages were optimized in subsequent trials.
c. For enhancing cooling capacity in precipitation area in context of maintaining liquor productivity at design level with higher plant operating factor additional heat transfer area was added in Plate Heat Exchangers (PHEs). The job is taken up in phased manner and already additional plates were installed in two nos. PHE’s.

d. R&D work has been taken up with IIT Mumbai for utilisation of bauxite residue in road making by geo-polymerization (25 meter Road made with the mixture for trial).

e. Study conducted with GAMI (China) team for dewatering of stored wet mud in Red Mud storage - A.

f. Through process control optimization sustained designed level of liquor productivity of 90.1 g/l, which is among the best in the world for identical technology in Alumina Refinery. Even with higher level of production, consistent production quality was maintained.

g. Utkal achieved lowest energy consumption through various energy conservation initiatives, which is among the best in the world for identical technology in Alumina Refinery.

h. Conducted Bio-diversity study as a pioneering initiative under sustainability drive through IUCN – 1st Alumina refinery in HINDALCO.

i. Increased Boiler efficiency in CGPP through HMPS installation and improved combustion control system.

viii. Technology absorption efforts at Hirakud Smelter included the following during the year:

a) Use of Copper insert Collector bars for the pots that were relined following the schedule of lining replacement. This project is based on indigenous technology with design development by ABSTC, Aditya Birla Science & Technology Centre, a premier research facility of Aditya Birla Group. This technology was also adopted at Mahan and Aditya Smelters for pots taken out for relining.

b) Introduction of Cathode Collector Bar sealing with Cast Iron for specific energy reduction.

c) Modification of Yoke dimensions to minimize energy losses thereby reducing energy consumption.

ix. Specific areas in which R&D has been carried out at Renukoot include the following:

• Resource Conservation e.g. Developed In-house Heat treatment / surface treatment of bigger sizes dia AISI H13 grade extrusion dies for Press # 7 & 8 better and cost effective metallurgical process, yield improvement in die service life and increasing productivity.

• New products development e.g. Internal Quality Evaluation of 9 & 13.5”dia of AA7075 & ALU 6082 Wagg Stuff critical casting of Logs & Billets for VSSC & Export USA etc.

• New products development e.g. special hydrates, special alumina, and new applications for refractory, wear resistant media, electrical insulation and ceramic grades etc.

• Optimization of process parameters for efficiency e.g. Condition monitoring & Health Assessment of chimney, Caustic and Oil tank in-service condition of entire plant by various NDT techniques etc.

• Optimization of process parameters for efficiency e.g. Heat Treatment of extrusion dies by Vacuum Heat Treatment controlled process etc.

• Participation in proficiency testing / inter laboratory comparisons programs.

• Clean Development Mechanism e.g. Improvement in salt bath to vacuum heat treatment process enhance capacity along-with state of the art technology and measurement tools.

• Solid waste utilization to better environment and work place.

• Optimization of process parameters for efficiency e.g. Alu-alu blister application, partially annealed Al-Mn series product for exports. Litho recovery improvement and LPG Cylinder application and clad brazing sheet.
• Resource Conservation e.g. Prediction and optimization of bauxite of different source and grades, better and cost effective additives for Bayer’s process, yield improvement in precipitation process, grease and lubrication development for use in alloy production.

• Energy conservation in Heat treatment practices of aluminium alloys and also Carbon anode making plant process.

x. Technology absorption activities at Aditya Aluminium included the following:

• Installation of AICM – Alloy Ingot Casting Machine & ICM facility for new products.

• Copper inserted Collector Bar Pots in Potline were introduced in a phased manner to reduce the specific DC energy consumption.

• “Intelligent Tapping” Project was successfully completed ---Secure hot metal tapping to save pot line from the eventuality of open circuit with real time PTA position monitoring and decision making.

• New Weigh Bridge for APAR- Automating weighing and on line data transfer to Cast-house level-2 with integration to Oracle system for auto invoicing.

• Erection and commissioning of Tertiary crusher in GAP for quality improvement.

• Modified teeth segment replacement of secondary crusher resulting butt size reduction from 80 mm to 65 mm.

• Installation of magnetic roller separator in BRS silo 2 dust collector to remove Fe from bath dust roller and in shot blast for recovery of spilled/lost steel shots.

• Installation of Automated boom barriers installation in CRS Aditya, CRS Hirakud and anode assembly storage.

• Remote I/O based control systems in Green anode plant, Carbon.

• Installation of user interface indication in manual anode feeding, bath charging, butt charging, anode assembly storage.

• Use of Flue wall Building Machine for the first time to build refractory Flue walls of Anode Baking Furnace.

• Installation of in house developed baked anode slot cleaning facility to ensure proper cleaning of packing coke materials from anode slot.

• Facility developed for arrangement of unidirectional slot pattern in Baked Anodes for improvement in DC power consumption at Pot Room.

• Packing coke screening facility developed in Anode baking Furnace to avoid fines deposition in Flue walls.

• New aluminized sheet developed and tested in ABF as a replacement to Polythene sheet with improved life in terms of repeated use. Polythene sheet is a daily consumable of ABF Operation.

• Online & real-time digital integration of system to reduce TAT (Turn Around Time) of Metal Ladles between Potroom and Cast House. (In-house development).

B. Benefits derived like product improvement, cost reduction, product development or import substitution

i. Belagavi’s Humate removal trials has helped in realizing improved product characteristics such as hydrate brightness etc. Also regular use of scale inhibitor has yielded in increased life of live steam heater and also decreased steam consumption.

ii. Introduction of APC in Belagavi Calciner has facilitated faster decision making and has lead to steady kiln operation thereby give energy benefits and quality control. Online SMS for critical Quality LAB Parameters of Calciners #1,2,3,4 results in quick decision making for the Process control is now feasible.

iii. Digitization Initiative at Belagavi- Online condition monitoring of Bauxite ball mill to enhance reliability of equipment is now realized.

iv. Work at HIC Belagavi has yielded following benefits, especially for Belagavi Unit:

• Improvement of plant operating processes and efficiency.

• Increase in sales realization in the value added products, leading to the improvement in business profitability.

• Enhancement of customer satisfaction.

• Increase in market share in preferred applications.

• Utilization of waste / recovering of values from the wastes.

• Development of environmental friendly products, leading to a more sustainable business.

• Energy reduction.
v. Benefits of the technological developments at Mahan has accrued following benefits:
- New product development, i.e. High purity Aluminium P0303 & P0404 Sows.
- Use of granulated flux for efficient furnace performance.
- In house modifications in regenerative burners components and refractory for cost reduction.
- Improved Environmental performance at Power Plants, Automation levels & Process Control at Smelters and MIS at Smelters.

vi. Benefits accrued at Utkal from their efforts include:
- Entry into the space of Green Energy, non- fossil fuel based.
- Improved process control, cost reduction thru alternative flocculant usages.
- Improved liquor productivity, plant reliability and reduced energy consumption.
- Waste utilization, through use of bauxite residue.

vii. Significant gains on DC energy consumption has been realized on pots (Electrolytic Cells used for aluminium smelting) which have had their Collectors bar replaced with those having Copper inserts. Gains have been realized at all smelters which implemented this project.

viii. Benefits derived as a result of technology related work at Renukoot include:
- Developed new products along-with manufacturing process development and application e.g. extrude products of various sections for Industrial machineries, Aerospace, Aviation, Defence & Automobiles sectors.
- Developed new products along-with manufacturing process development and application e.g. rolled products of AA7075 & 6068 for Bus Bars, Light weight Re-railing equipments, Tractor Pump Bodies, Industrial machineries, Aerospace, & Hydraulic Re-railing sectors.
- Gained entry into critical and strategic sector application market.
- Energy conservation efforts have resulted into cost minimization, improvement in operational efficiency and productivity and also production.
- Technological up-gradation with thrust on energy reduction and capacity enhancement.
- Increased application of solid wastes e.g. Fly ash, Carbon dust etc.
- Participation in PT programs have resulted into increased confidence level in our test capabilities.

ix. Benefits accrued as a result of efforts at Aditya Smelter are as follows:
New Product Development - Alloy Ingot A356.2 (Trial lot); Premium P0404 grade SOW; New metal grade P0507.

Import Substitution-
- Rexroth proportional valve replaced with Parker proportional valve installed & taken in line in GAP.
- Solios pulsing card replaced with HART make pulsing injector card in ABF.
- Indigenous load cell controller in all FTA (Old: HD Muller, New: Vishay Nobel).
- ABF pulsing injector coil replaced with indigenous coil (Solios to Tara-Maa).
- Redundant laser senor implementation in rodding bench for detection of anode presence in ARS.
- Redundant pneumatic system in shot blasting machine in ARS.
- In house development of vacuum pneumatic panel in GAP as an alternative to Solios.
- Replacement of VC pulser rope drawn encoder ASM to SICK.
- Controlling High Butt by installation of laser in auto carbon striping to increase reliability & manpower saving.
- Inclinometer sensor installation in all tools and grab for detection of inclination of tools in all FTA.
- OEM beaters substitution (for GAP Mixer and Cooler) with increased life cycle.
- Development of Beaters from different vendor other than OEM – Cost Saving.
- Development of Cage Pivot from different vendor other than OEM – Cost Saving.
- Development of Foot bellow assembly from Local vendor other than OEM – Cost Saving.
- Indigenized development of FTA filling pipe bellow from local vendor other than OEM – Cost Saving.
- Development & installation of Heavy duty cylinder for Finishing Machine: Heavy duty cylinder developed locally which has increased the cylinder life from 20-30 days to more than 6 months.
- Development of P&F Chains of Anode Rodding Shop.
- Indigenous development of P&F trolley rollers.
- Indigenous development of Heat exchanger.

C. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

<table>
<thead>
<tr>
<th>Technology Imported for</th>
<th>Year of Import</th>
<th>Has Technology been fully absorbed</th>
<th>If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Aditya Aluminium: Ingot Casting Machine (To Manufacture PFA (Primary Foundary Alloy- 356.2) – Scope (includes casting/demoulding/ packaging)- packaging 2 nos ABB Robos part of the line.</td>
<td>2019</td>
<td>Hot Commissioning done on Feb’20; PAT pending due to COVID-19.</td>
<td>Ingot Casting Machine: Machine Line Installation Completed. Hot commissioning completed. The machine is in operation and we have currently casted about 50MT of Alloysed Ingots during trial cycles. Trials had to be stopped. Trials will resume once the COVID issue is over and will be followed by PAT (Performance Acceptance Test).</td>
</tr>
<tr>
<td>At Aditya Aluminium: Degasser: for Metal Quality (Reduction of Hydrogen inclusions)-STAS CFF: M/s Befesa (Spain).</td>
<td>2019</td>
<td>To be commissioned</td>
<td>CFF and Degasser is mechanically installed and ready. Trials will begin by May/June after STAS Expert visit. It was deferred due to Corona Scare.</td>
</tr>
<tr>
<td>At Aditya Aluminium: TAC (Treatment of Aluminium in Crucibles): For Reduction of Alkalis in Molten Metal.</td>
<td>2019</td>
<td>To be Comissioned</td>
<td>TAC Mechanical installation is in progress and will be completed by June end. Electrical cabling and Instrumentation part will be completed only after Befesa Expert Visit. We have planned commissioning by July after Befesa Expert visit.</td>
</tr>
<tr>
<td>At Aditya Aluminium: EMS (Electro Magnetic Stirrer) for Homogenous Mixing of melt in furnaces.</td>
<td>2019</td>
<td>To be commissioned</td>
<td>EMS installation is complete and is ready for commissioning. The commissioning started by ABB Experts but was called off in between because of Corona Scare. It will be completed on their return.</td>
</tr>
</tbody>
</table>

d) Expenditure Incurred on Research & Development (R&D)

The Company has spent ₹ 29 crore for Research and Development during the Financial Year 2019-2020.

D. Foreign Exchange earnings & Out Go.

a) Activities related to exports. Exports (FOB) during the year were ₹ 11,009 crore.

b) Total Foreign Exchange used and earned.

(1) Foreign Exchange used ₹ 17,722 crore.

(2) Foreign Exchange Earned ₹ 11,009 crore.
Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2019-20 are as under:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Director/KMP</th>
<th>Remuneration of Director/KMP for financial year 2019-20 (in Lakhs)</th>
<th>% increase in Remuneration in the Financial Year 2019-20</th>
<th>Ratio of remuneration of each Director/ to median remuneration of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kumar Mangalam Birla</td>
<td>0.00 (100.00%)</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Rajashree Birla</td>
<td>109.15 (809.58%)</td>
<td>17.81</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>A.K. Agarwala</td>
<td>12.48 (41.18%)</td>
<td>2.04</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Vikas Balia**</td>
<td>10.19</td>
<td>**</td>
<td>1.66</td>
</tr>
<tr>
<td>5</td>
<td>Y.P. Dandiwalaw</td>
<td>22.04 (80.21%)</td>
<td>3.60</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>K.N. Bhandari</td>
<td>21.05 (31.73%)</td>
<td>3.43</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Alka Bharucha</td>
<td>7.91 (51.24%)</td>
<td>1.29</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Ram Charan*</td>
<td>3.87 (38.47%)</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>D.Bhattacharya^</td>
<td>11.39 (50.26%)</td>
<td>1.86</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Sudhir Mittal**</td>
<td>1.94</td>
<td>**</td>
<td>0.32</td>
</tr>
<tr>
<td>11</td>
<td>M.M. Bhagat *</td>
<td>12.07 (15.89%)</td>
<td>1.97</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Girish Dave*</td>
<td>7.91 (14.64%)</td>
<td>1.29</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Satish Pai</td>
<td>3191.05 (11.13%)</td>
<td>520.56</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Praveen Kumar Maheshwari</td>
<td>626.49 (46.59%)</td>
<td>102.20</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Anil Malik</td>
<td>142.65 (4.12%)</td>
<td>23.27</td>
<td></td>
</tr>
</tbody>
</table>

^ At the time of retirement, Board had approved pension of ₹ 0.335 crore per month, hence he has been paid ₹ 4.02 crore as a pension for his past services as the Managing Director.

# Remuneration includes commission payable to Non-Executive Directors for the year ended 31st March, 2020. Sitting fees paid to Directors is excluded.

** Dr. Vikas Balia (DIN:00424524) was appointed as Independent Director w.e.f. 19th July, 2019. Mr. Sudhir Mittal (DIN:08314675) was appointed as Independent Director w.e.f. 11th November, 2019.

* Mr. M M Bhagat (DIN: 0006245) has ceased to be an Independent Director w.e.f. 30th August, 2019.

* Mr. Girish Dave (DIN: 00036455) has resigned as Independent Director w.e.f. 11th November, 2019.

* Mr. Ram Charan (DIN: 03464530) has resigned as Independent Director w.e.f. 14th August, 2020.

i The median remuneration of employees of the Company during the financial year was ₹ 6.13 Lacs

ii In the financial year, there was an increase of 9.27% in the median remuneration of employees

iii There were 22,477 permanent employees on the rolls of Company as on 31st March, 2020

iv Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 9.27% whereas the increase in the managerial remuneration for the same financial year was 15.72%. For the purpose of managerial personnel, Managing Director and Whole time Director are considered.

v It is hereby affirmed that the remuneration paid is as per the Remuneration Philosophy / Policy of the Company.

vi Remuneration excludes amortization of fair value of employee share based payments under IndAs 102 and provision for gratuity and leave encashment recognised on the basis of actuarial valuation.

vii During the current Financial Year, Mr. Satish Pai has been granted 264,704 Stock Options and 62,241 Restricted Stock Options (RSU’s).

For and on behalf of the Board

Satish Pai
Managing Director
DIN:06646758

K.N. Bhandari
Independent Director
DIN:00026078

Place : Mumbai
Dated : 14th August, 2020
ANNEXURE-IV

Hindalco Industries Limited (“the Company”) an Aditya Birla Group Company adopts/ shall adopt this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/policy is detailed below

Aditya Birla Group: Executive Remuneration Philosophy/Policy

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities– with the long-term success of our stakeholders.

Our business and organizational model

Our Group is a conglomerate and organized in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

I. Objectives of the Executive Remuneration Program

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis.
2. Emphasize “Pay for Performance” by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

II. Covered Executives

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company.
2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
3. Senior Management : As decided by the Board.

III. Business and Talent Competitors

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group’s global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

IV. Executive Pay Positioning

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognize the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

V. Executive Pay-Mix

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits

Annual Incentive Plan:

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business.

Long-Term Incentive:

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long term incentive vehicles, to motivate and retain our executives.
VI. Performance Goal Setting

We aim to ensure that for both annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

VII. Executive Benefits and Perquisites

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

Other Remuneration Elements

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

Risk and Compliance

We aim to ensure that the Group’s remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

Claw back Clause:

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him / her as per restatement of financial statements, pertaining to the relevant performance year.

Implementation

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through “arm's length”, agreements entered into as needs arise in the normal course of business.
Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Hindalco Industries Limited
Ahura Centre, 1st Floor,
B Wing, Mahakali Caves Road,
Mumbai - 400093

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HINDALCO INDUSTRIES LIMITED having CIN No. L27020MH1958PLC011238 (hereinafter called the ‘Company’) for the audit period covering the financial year ended on 31st March 2020 (the ‘audit period’). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed, soft copy as provided by the company and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; We hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the ‘Act’) and the Rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and
(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Other laws specifically applicable to the Company are:
(a) The Mines Act, 1952; and

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India during the audit period.

During the audit period, the Company has complied with the provisions of the Acts, Rules, Regulations and Bye-laws mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:
(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March 2020 as under:

Greener. Stronger. Smarter 51
I. Two Executive Directors;

II. Six Non-Executive Independent Directors; and

III. Four Non-Executive Non-Independent Directors

During the year the following changes in the composition of the Board of Directors were carried out in compliance with the provisions of the Act, Rules made thereunder and SEBI Listing Regulations:

I. Re-appointment of Following Independent Directors in the 60th Annual General meeting:
   a. Mr. Ram Charan (DIN: 03464530), w.e.f 30th August 2019 until 29th August 2024
   b. Mr. K. N. Bhandari (DIN:00026078), w.e.f 30th August 2019 until 29th August 2024

II. Appointment of Dr. Vikas Balia (DIN: 00424524) in 60th Annual General Meeting, w.e.f 19th July 2019 until 18th July 2024

III. Resignation of Mr. Girish Dave (DIN: 00036455), as an Independent Director, w.e.f 11th November 2019

IV. Appointment of Mr. Sudhir Mittal (DIN: 008314675), as an Additional Director w.e.f 11th November 2019 for a tenure of 5 years

V. Re-appointment of Mrs. Rajashree Birla (DIN: 00022995), as a Director, Retired by Rotation and re-appointed in the 60th Annual General Meeting held on 30th August 2019

VI. Mr. M M Bhagat (DIN:00006245), Cessation as a Director w.e.f 30th August, 2019

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 (seven) days in advance except for one Board Meeting where consent for shorter notice was obtained from majority of the directors. System exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the audit period.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following specific event / action has occurred during the year:

1. During the audit period, the Company has allotted its equity shares under Employee Stock Option Schemes, as follows:
   i. First Quarter from 1st April, 2019 to 30th June, 2019 – 3,15,671 equity shares of ₹ 1 each.
   ii. Second Quarter from 1st July, 2019 to 30th September, 2019 – 78,326 equity shares of ₹ 1/- each.
   iii. Third Quarter from 1st October, 2019 to 31st December, 2019 – 1,16,372 equity shares of ₹ 1/- each.
   iv. Fourth Quarter from 1st January, 2020 to 31st March, 2020 – 1,82,073 equity shares of ₹ 1/- each.

2. Board of Directors in their meeting on 09th August 2019, had approved the issuance of Commercial Papers for an amount not exceeding ₹ 900 Crore. Further, on 22nd November 2019, the Company allotted 18,000 securities at ₹ 900 Crore issue size, maturing on 20th February 2020 on Private Placement. Furthermore, the Company had made an application to the National Stock Exchange for approval of listing the securities.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
Avinsh Bagul
Place : Mumbai
FCS: 5578
Date : 04.06.2020
ACS : 19862
UDIN: F005578B000314150

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.
To,

The Members,

Hindalco Industries Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Hindalco Industries Limited (the ‘Company’) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Avinsah Bagul
Place : Mumbai
Date : 04.06.2020

UDIN: F005578B000314150
ANNEXURE-VB

Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members of
Utkal Alumina International Limited
J 6 Jayadev Vihar,
Bhubaneswar
Orissa- 751013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Utkal Alumina International Limited having CIN U13203OR1993PLC003416 (hereinafter called the ‘Company’) for the financial year ended on 31st March 2020 (the “audit period”).

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company’s corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company;

(ii) Our observations during our visits to the Corporate office of the Company;

(iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the Key Managerial Personnel / Senior Managerial Personnel of the Company and taken on record by the Board of Directors; and

(iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2020, the Company has:

(i) Complied with the statutory provisions listed hereunder; and

(ii) Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure-A.

1. Compliance with specific statutory provisions

We further report that:

1.1. We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company during the year according to the applicable provisions/clauses of:

(i) The Companies Act, 2013 (the ‘Act’) and the Rules made thereunder;

(ii) The Depositories Act 1996 and Regulations and Bye-laws framed thereunder;

(iii) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with Client;

(iv) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(v) Secretarial Standards issued by the Institute of Company Secretaries of India (Secretarial Standards).

1.2 During the period under review:

(i) The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Secretarial Standards as mentioned above.

(ii) Generally complied with the applicable provisions/clauses of:

(a) The Act and Rules mentioned under paragraph 1.1 (i)

(b) The Secretarial Standards on meetings of Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (v) above to the extent applicable to Board meetings held during the year and the 26th Annual General Meeting held on 27.09.2019. The compliance with the provisions of the Rules made under the Act with regard to the Board meetings held through video conferencing were verified based on the minutes of the meeting provided by the Company.
1.3 We are informed that, during / in respect of the year, the Company was not required to initiate any compliance related action in respect of the following laws / rules / regulations / standards and was consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns thereunder:

(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(vii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

1.4 We have also examined, on test-check basis, the relevant documents and records maintained by the Company and provided to us with respect to the following laws specifically applicable to the Company:

(i) Mines Act, 1952 and Mines Rules, 1955; and

2. Board processes:

We further report that:

2.1 The Board of Directors of the Company as on 31st March 2020 comprised of:

(i) Six Non-Executive Non-Independent Directors (including two directors i.e. Mr. Praveen Kumar Maheshwari (DIN:- 00174361) and Mr. Anil Arya Vasant (DIN:- 03310125) who were appointed as Additional Directors, by the Board of Directors and subject to the approval of Shareholders at the ensuing General Meeting).

2.2 The processes relating to the following changes in the composition of the Board of Directors and Key Managerial Personnel during the year were carried out in compliance with the provisions of the Act:

(i) Re-appointment of Mr. Nagesh Narisetty as a Chief Executive Officer of the Company for a further period of three years w.e.f. 1st August 2019 by Board of Directors.

(ii) Appointment of Mr. Alphonso Das (DIN:- 01452522) as an Additional Director by the Board of Directors of the Company w.e.f. 20th September 2019 and the same was approved by the members at 26th Annual General Meeting held on 27th September 2019. However, Mr. Das has tendered his resignation as a Director w.e.f. 27th February 2020.

(iii) Appointment of Mr. Rajesh Kumar Gupta (DIN:- 08567889) as an Additional Director by the Board of Directors of the Company w.e.f. 20th September 2019 and the same was approved by the members at 26th Annual General Meeting held on 27th September 2019.

(iv) Appointment of Mr. Indrajit Pathak (DIN:- 00194571) as an Additional Director by the Board of Directors of the Company w.e.f. 20th September 2019 and the same was approved by the members at 26th Annual General Meeting held on 27th September 2019.

(v) Mr. Madhukar Manilal Bhagat (DIN:- 00006245) resigned as the director of the Company w.e.f. 30th August 2019.

(vi) Mr. Ashok Kumar Machher (DIN:- 02797592) resigned as the director of the Company w.e.f. 20th September 2019.

(vii) Pursuant to the transfer of services of Mr. Shree Nath Mishra, Chief Financial Officer (CFO) from the Company to Hindalco Industries Limited, he resigned as the CFO of the Company w.e.f. 31st October 2019.

(viii) Mr. Sudhakar Biswal was appointed by the Board of Directors of the Company as CFO of the Company w.e.f. 31st October 2019.

(ix) Appointment of Mr. Praveen Kumar Maheshwari (DIN:- 00174361) as an
ANNEXURE-VB

Additional Director by the Board of Directors of the Company w.e.f. 31st October 2019 and the same is subject to approval of the Shareholders at ensuing General Meeting.

(x) Appointment of Mr. Anil Vasant Arya (DIN:- 03310125) as an Additional director by the Board of Directors of the Company w.e.f. 30th January 2020 and the same is subject to the approval of Shareholders at ensuing General Meeting.

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meeting.

2.4 Notice of the Board meetings was sent to the directors at least seven days in advance as required under Section 173 (3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings except for two meetings.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement / results, unaudited financial results and connected papers; and

(ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

2.8 We note from the minutes verified that, at the Board meetings held during the year:

(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recoded as part of the minutes.

3. Compliance mechanism

There are reasonably adequate systems and processes in the Company, commensurate with the size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, commensurate with the increasing statutory requirements and growth in operations.

4. Specific events / actions

a) Pursuant to an agreement dated 10th November 2000, between Orissa Mining Corporation Limited (OMCL) and Utkal Alumina International Limited (the Company), the OMCL had agreed that in consideration of it rendering the requisite services to the Company and in consideration for transferring by it to the Company of the prospective license and mining lease of Baphilimali Mines and all rights thereto, the Company was required to issue Fully Convertible Cumulative Preference Shares aggregating to ₹ 20 crores (Rupees Twenty Crores only ) which would carry a rate of return of 15% p.a.

Subsequently the Company had entered into a Debenture Subscription Agreement dated 01st October 2007 with OMCL, wherein it was agreed by the Company to issue and redeem One Zero Coupon Unsecured Redeemable Non-convertible Debenture to assure the aforesaid payment of ₹ 20 Crore to OMCL and till the time Preference Shares are issued to them. Since the Company is not in a position to issue Preference Shares to OMCL, the Company had issued One Zero Coupon Unsecured Redeemable Non-convertible Debenture of ₹ 3,00,00,000/- (Rupees Three Crores only) which was redeemed on 30th September 2019. In current year also, the Company has issued another new zero One Zero Coupon Unsecured Redeemable Non-convertible Debenture and the same will be redeemed on 30th September 2020.

b) The Company has executed “Alumina Offtake Agreement” with Hindalco Industries Limited viz. Holding Company on 26th July 2010. The said agreement was terminated on mutually agreed terms between the parties on 31st March 2018.


For the operational convenience, the Company carried out revision in pricing terms like quality discount, offtake discount, etc. on 30th April 2019 in the said agreement and accordingly the Company executed another revised Memorandum of Undertaking for the same.

c) In respect of the expansion undertaken by the Company in the refinery for manufacturing of “Alumina” from 1.5 Million tonnes / Annum to 3.00 Million tonnes / Annum, the Ministry of Environment, Forest and Climate Change (Impact Assessment Division), Government of India, has
laid down Terms of Reference on 22nd May 2017, wherein the Company is required to earmark 2.5% of the total project cost towards Enterprise Social Committee (ESC).

To meet the requirement of ESC, the Company requested for setting up of an Apparel manufacturing unit at Tikri, Odisha and the same was consented by Ministry of Environment, Forest and Climate Change (Impact Assessment Division), Government of India on 25.06.2018. Also to undertake the aforesaid project and other activities the Company had separately incorporated a Company, Limited by Shares under Section 8 of the Companies Act, 2013 in the name of “Utkal Alumina Social Welfare Foundation”, vide certificate of incorporation issued by Registrar of Companies of Odisha on 07th January 2020.

The Company made an investment of 1,00,000 equity shares of ₹10 each aggregating to ₹ 10,00,000 in the aforesaid “Utkal Alumina Social Welfare Foundation” and thereby making the aforesaid “Utkal Alumina Social Welfare Foundation” (Company established under Section 8 of the Companies Act, 2013) as a Wholly Owned Subsidiary of the Company.

Venkataraman Krishnan
Associate Partner
ACS No.: 8897/COP No.: 12459

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: 637 / 2019]

Place : Mumbai
Date : 27.05.2020
Annexure A to the Secretarial Audit Report
for the financial year ended 31st March 2020

To,
The Members,
Utkal Alumina International Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company’s management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. We have considered compliance related actions taken by the company based on independent legal / professional opinion obtained as being in compliance with law.

4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.

5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.

6. We have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, wherever required.

7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman Krishnan
Associate Partner
ACS No.: 8897/COP No.: 12459
For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]
[PR No.: 637 / 2019]

Place : Mumbai
Date : 27.05.2020
**ANNEXURE-VI**

**Annual Report on CSR Activities: 2019-20**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.

   To actively contribute to the social and economic development of the underserved communities, lifting the burden of poverty and helping bring in inclusive growth. In so doing, build a better, sustainable way of life for the weaker sections of society and raise the Country's Human Development Index. The projects which are identified includes Education, Health Care, Sustainable Livelihood, Infrastructure Development and Social Change. The Company's CSR policy is available on the Company's website viz: [www.hindalco.com](http://www.hindalco.com)

2. Composition of the CSR Committee

   - Mrs. Rajashree Birla, Chairperson
   - Mr. Satish Pai, Member
   - Mr. Askaran Agarwala, Member
   - Mr. D. Bhattacharya, Member
   - Mr. Y.P. Dandiwala, Member
   - Dr. Pragnya Ram, Group Executive President, CSR, Legacy Documentation & Archives. Permanent Invitee

3. Average net profit of the Company for last three financial years: **₹1,876.54 Crores**

4. Prescribed CSR Expenditure (two percent of the amount as in Item 3 above): **₹37.53 Crores**

5. **Details of CSR spent during the financial year**

   **Total amount spent for the financial year 2019-20**: **₹38.53 Crores**

   - Amount unspent (as against amount mentioned at point 4 above): **NIL**
   - Way the amount spent during the financial year: Details Given Below

---

**Hindalco’s CSR Report 2019-20**

<table>
<thead>
<tr>
<th>S. No</th>
<th>CSR Projects/Activities Identified</th>
<th>Sector in which the project is covered</th>
<th>Projects/Programmes; Local Area/ Others. The States/District where the project undertaken</th>
<th>Amount Outlay (Budget) Project/ Programme-wise (₹ in Lakh)</th>
<th>Amount Spent on the Project/ Programmes (₹ in Lakh)</th>
<th>Cumulative Expenditure up to reporting period (₹ in Lakh)</th>
<th>Amount Spent: Direct or through implementing agency*</th>
</tr>
</thead>
</table>
| 1     | Preschool education
Balwadis/play schools/ crèches; Strengthening Anganwadis | Education | Sonbhadra (UP); Singrauli(MP); Howrah(WB); Hazaribaug (Jharkhand); Balrampur (Chhattisgarh); Belagavi (Karnataka); | 44.37 | 20.34 | 20.34 | Direct/HUST |
| 2     | School Education Program
Enrolment awareness programmes/ events; Formal schools; Education Material (Study materials, Uniform, Books etc.); Scholarship (Merit and Need based assistance) School competitions/ Best teacher award; Cultural events Quality of Education (support teachers, Improve education methods); Specialised Coaching; Exposure visits/awareness Formal schools inside campus(Company Schools) Support to Midday Meal Project | Education | Sonbhadra (UP); Singrauli(MP); Howrah(WB); Lohardaga, Ranchi (Jharkhand); Balrampur (Chhattisgarh); Sambalpur (Odisha); Belagavi (Karnataka); Kolhapur (Maharashtra); | 1,294.98 | 1,158.43 | 1,158.43 | Direct/HUST |
| 3     | Education support programs:
Knowledge Centre/Library; Adult/Non Formal Education; Celebration of National days; Computer education; Reducing drop out and Continuing Education; Kasturba Gandhi Balika Vidyalaya; Career counselling | Education | Sonbhadra (UP); Singrauli(MP); Howrah(WB); Lohardaga, Dallangani & (Jharkhand); Balrampur (Chhattisgarh); Sambalpur & Koraput (Odisha); Ernakulam(Kerala); Belagavi (Karnataka); Kolhapur & Raigad (Maharashtra); Bharuch(Gujarat) | 176.33 | 97.11 | 97.11 | Direct |

*Direct/HUST: Direct funding to the implementing agency
*Amount Spent: Direct or through implementing agency: If the company is in an area where CSR activity is required, they can choose to either provide direct funding to the implementing agency or through implementing agency.
## ANNEXURE-VI

<table>
<thead>
<tr>
<th>S. No</th>
<th>CSR Projects/Activities Identified</th>
<th>Sector in which the project is covered</th>
<th>Projects/Programmes; Local Area/ Others. The States/District where the project undertaken</th>
<th>Amount Outlay (Budget) Project/ Programme-wise (` in Lakh)</th>
<th>Amount Spent on the Project/ Programmes (` in Lakh)</th>
<th>Cumulative Expenditure up to reporting period (` in Lakh)</th>
<th>Amount Spent: Direct or through implementing agency*</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Vocational and Technical Education: Strengthening ITI’s; Skill Based Individual training Programmes</td>
<td>Education</td>
<td>Sonbhadra (UP); Ranchi, Daltanganj &amp; Hazaribaug (Jharkhand); Raigarh &amp; Balrampur (Chhattisgarh); Sambalpur (Odisha); Belagavi(Karnataka); Nagpur (Maharashtra)</td>
<td>26.90</td>
<td>49.15</td>
<td>49.15</td>
<td>Direct</td>
</tr>
<tr>
<td>5</td>
<td>School Infrastructure: New School Building Construction; Renovation and Maintenance of School buildings; School Sanitation &amp; drinking Water; School Furniture &amp; Fixtures</td>
<td>Education</td>
<td>Sonbhadra (UP); Singrauli(MP); Lohardaga, Ranchi (Jharkhand); Raigarh &amp; Balrampur (Chhattisgarh); Sambalpur(Odisha); Belagavi(Karnataka); Kolhapur &amp; Raigad (Maharashtra)</td>
<td>70.79</td>
<td>167.81</td>
<td>167.81</td>
<td>Direct</td>
</tr>
<tr>
<td>6</td>
<td>Preventive Health Care: Immunization; Pulse Polio Programme; Health Check up camps; Mobile Dispensary; Malaria/Diarrhoea Control Programme; School Health Check ups; Yoga and fitness classes</td>
<td>Health Care</td>
<td>Sonbhadra (UP); Singrauli(MP), Howrah(WB); Lohardaga, Ranchi, Daltanganj &amp; Hazaribaug (Jharkhand); Raigarh &amp; Balrampur (Chhattisgarh); Sambalpur &amp; Koraput (Odisha); Belagavi (Karnataka); Kolhapur &amp; Raigad (Maharashtra)</td>
<td>83.36</td>
<td>131.67</td>
<td>131.67</td>
<td>Direct/HJST</td>
</tr>
<tr>
<td>7</td>
<td>Curative Health Care program: Hospitals/ Dispensaries/ Clinics; General Health Check up camps; Specialised Health Camps; Eye Camps; Surgical Camps; Tuberculosis</td>
<td>Health Care</td>
<td>Sonbhadra (UP); Singrauli(MP), Howrah(WB); Lohardaga, Ranchi, Daltanganj &amp; Hazaribaug (Jharkhand); Balrampur (Chhattisgarh); Sambalpur &amp; Koraput (Odisha); Belagavi (Karnataka); Kolhapur &amp; Raigad (Maharashtra)</td>
<td>235.60</td>
<td>162.03</td>
<td>162.03</td>
<td>Direct/HJST</td>
</tr>
<tr>
<td>8</td>
<td>Reproductive and Child Health: Mother and Child Care; Adolescent Health Care; Infant and Child Health; Support to Family Planning programmes; Nutritional Programmes for mother and Child</td>
<td>Health Care</td>
<td>Sonbhadra (UP); Singrauli(MP), Howrah(WB); Lohardaga, Ranchi, Daltanganj &amp; Hazaribaug (Jharkhand); Balrampur (Chhattisgarh); Sambalpur (Odisha); Kolhapur (Maharashtra)</td>
<td>60.62</td>
<td>45.91</td>
<td>45.91</td>
<td>Direct</td>
</tr>
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<td>9</td>
<td>Quality / Support Program: Referral services; Treatment of BPL, Old age and Needy patients; HIV/AIDS Awareness; RTI/STD Awareness; Support to differently abled; Ambulance Services; Blood Donations/Grouping</td>
<td>Health Care</td>
<td>Sonbhadra (UP); Singrauli(MP), Howrah(WB); Lohardaga, Ranchi, Daltanganj &amp; Hazaribaug (Jharkhand); Balrampur (Chhattisgarh); Sambalpur (Odisha); Kolhapur (Maharashtra)</td>
<td>165.59</td>
<td>163.62</td>
<td>163.62</td>
<td>Direct/HJST</td>
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<tr>
<td>10</td>
<td>Health Infrastructure: Renovation of Health centres; Village / Community Sanitations; Individual Toilets; Repair and installation of new drinking water sources; Water purifications</td>
<td>Health Care</td>
<td>Sonbhadra (UP); Singrauli(MP), Howrah(WB); Lohardaga, Ranchi, Daltanganj &amp; Hazaribaug (Jharkhand); Balrampur (Chhattisgarh); Sambalpur (Odisha); Belagavi (Karnataka); Kolhapur (Maharashtra)</td>
<td>255.72</td>
<td>203.21</td>
<td>203.21</td>
<td>Direct/HJST</td>
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<tr>
<td>11</td>
<td>Agriculture and Farm Based: Agriculture and Horticulture trainings; Transfer of technology; Support to Demonstration Plots; Agricultural implements and inputs; Exposure Visits; Integrated Agriculture / Horticulture programmes; Soil Health and Organic farming</td>
<td>Environment and Sustainable Livelihood</td>
<td>Sonbhadra (UP); Singrauli(MP), Lohardaga, Ranchi (Jharkhand); Raigarh &amp; Balrampur (Chhattisgarh); Sambalpur &amp; Koraput (Odisha); Belagavi (Karnataka); Kolhapur (Maharashtra)</td>
<td>262.23</td>
<td>253.70</td>
<td>253.70</td>
<td>Direct/HJST</td>
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<tr>
<td>S. No</td>
<td>CSR Projects/Activities Identified</td>
<td>Sector in which the project is covered</td>
<td>Projects/Programmes; Local Area/ Others, The States/District where the project undertaken</td>
<td>Amount Outlay (Budget) Project/ Programme-wise (‘L in Lakh)</td>
<td>Amount Spent on the Project/ Programmes (‘L in Lakh)</td>
<td>Cumulative Expenditure up to reporting period (‘L in Lakh)</td>
<td>Amount Spent: Direct or through implementing agency*</td>
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<tr>
<td>12</td>
<td>Animal Husbandry: Animal Vaccination and Treatment; Breed improvement; Milk productivity improvement programmes and Trainings</td>
<td>Environment and Sustainable Livelihood</td>
<td>Sonbhadra (UP); Singrauli (MP); Balrampur (Chhattisgarh); Sambalpur, Belagavi(Karnataka); Nagpur (Maharashtra)</td>
<td>16.05</td>
<td>14.73</td>
<td>14.73</td>
<td>Direct</td>
</tr>
<tr>
<td>13</td>
<td>Non farm &amp; Skills Based Income generation Program: Capacity Building Programmes; Rural enterprise Development and Income Generation programme(IGP) support; Support to SHGs for IGP</td>
<td>Environment and Sustainable Livelihood</td>
<td>Sonbhadra (UP); Singrauli (MP); Lohardaga, Hisarbaug (Jharkhand); Balrampur (Chhattisgarh); Sambalpur (Odisha); Belagavi(Karnataka); Kolhapur (Maharashtra)</td>
<td>113.21</td>
<td>115.03</td>
<td>115.03</td>
<td>Direct/HUST</td>
</tr>
<tr>
<td>14</td>
<td>Natural Resource conservation programs &amp; Non-conventional Energy: Bio gas support Programme; Solar Energy Support; Other energy efficient supports; Plantations; Soil Conservation; Land development; Water Conservation and harvesting structures; Development of Common pasture land</td>
<td>Environment and Sustainable Livelihood</td>
<td>Sonbhadra (UP); Singrauli (MP); Lohardaga, Raigarh &amp; Balrampur (Chhattisgarh); Sambalpur Emnakulam (Kerala); Belagavi (Karnataka)</td>
<td>118.42</td>
<td>63.06</td>
<td>63.06</td>
<td>Direct/HUST</td>
</tr>
<tr>
<td>15</td>
<td>Livelihood Infrastructure: Construction of Check Dams; Lift Irrigation</td>
<td>Environment and Sustainable Livelihood</td>
<td>Sonbhadra (UP); Singrauli (MP); Howrah(WB); Kolhapur (Maharashtra); Sambalpur(Odisha)</td>
<td>46.20</td>
<td>75.31</td>
<td>75.31</td>
<td>Direct</td>
</tr>
<tr>
<td>16</td>
<td>Rural Infrastructure development: Construction and Repair of Community Infrastructures</td>
<td>Rural Development Projects</td>
<td>Sonbhadra (UP); Singrauli (MP); Howrah(WB); Lohardaga, Ranchi, (Jharkhand); Raigarh &amp; Balrampur (Chhattisgarh); Sambalpur(Odisha); Belagavi(Karnataka); Kolhapur &amp; Raigad (Maharashtra)</td>
<td>560.55</td>
<td>633.23</td>
<td>633.23</td>
<td>Direct</td>
</tr>
<tr>
<td>17</td>
<td>Institutional building &amp; strengthening: Strengthening and Formation of Community Based Organisations/ SHGs</td>
<td>Social Empowerment</td>
<td>Sonbhadra (UP); Singrauli (MP); Howrah(WB)</td>
<td>16.16</td>
<td>23.63</td>
<td>23.63</td>
<td>Direct/HUST</td>
</tr>
<tr>
<td>18</td>
<td>Support to development organizations: Support to Old age Homes; Orphanages, etc.</td>
<td>Social Empowerment</td>
<td>Sonbhadra (UP); Sambalpur (Odisha); Belagavi (Karnataka); Raigad (Maharashtra)</td>
<td>3.75</td>
<td>152.36</td>
<td>152.36</td>
<td>Direct/HUST</td>
</tr>
<tr>
<td>19</td>
<td>Social Security: Support to Old age, Widow, physically Challenged Persons/ poor</td>
<td>Social Empowerment</td>
<td>Sonbhadra (UP); Singrauli (MP); Daltanganj (Jharkhand); Raigarh (Chhattisgarh); Belagavi(Karnataka); Nagpur &amp; Kolhapur (Maharashtra)</td>
<td>16.64</td>
<td>35.47</td>
<td>35.47</td>
<td>Direct</td>
</tr>
<tr>
<td>20</td>
<td>Awareness Programmes: Community Awareness programmes/ Campaign against social abuse, early marriages, HIV prevention, etc.</td>
<td>Social Empowerment</td>
<td>Sonbhadra (UP); Singrauli (MP); Daltanganj (Jharkhand); Balrampur (Chhattisgarh); Belagavi(Karnataka); Raigad (Maharashtra); Bharuch (Gujarat); Sambalpur(Odisha)</td>
<td>10.40</td>
<td>36.25</td>
<td>36.25</td>
<td>Direct</td>
</tr>
<tr>
<td>21</td>
<td>Social Events to minimise causes of poverty: Support to mass marriages, widow remarriages; National days celebrations; Support with basic amenities</td>
<td>Social Empowerment</td>
<td>Sonbhadra (UP); Singrauli (MP); Lohardaga (Jharkhand); Sambalpur &amp; Koraput (Odisha); Belagavi(Karnataka); Kolhapur &amp; Raigad (Maharashtra)</td>
<td>31.44</td>
<td>13.04</td>
<td>13.04</td>
<td>Direct/HUST</td>
</tr>
</tbody>
</table>
## ANNEXURE-VI

<table>
<thead>
<tr>
<th>S. No</th>
<th>CSR Projects/Activities identified</th>
<th>Sector in which the project is covered</th>
<th>Projects/Programmes; Local Area/ Others. The States/District where the project undertaken</th>
<th>Amount Outlay (Budget) Project/Programme-wise (₹ in Lakh)</th>
<th>Amount Spent on the Project/Programmes (₹ in Lakh)</th>
<th>Cumulative Expenditure up to reporting period (₹ in Lakh)</th>
<th>Amount Spent: Direct or through implementing agency*</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>Protection and promotion of heritage/culture/Sports: Support to rural cultural programmes, Festivals &amp; Melas.</td>
<td>Promotion of Heritage/Art and Culture/ Sports</td>
<td>Sonibhadra (UP); Singrauli(MP); Howrah(WB); Lohardaga(Jharkhand); Balrampur (Chhattisgarh); Sambalpur &amp; Koraput (Odisha); Belagavi (Karnataka); Kolhapur(Maharashtra); Bharuch(Gujarat)</td>
<td>107.14</td>
<td>47.10</td>
<td>47.10</td>
<td>Direct/HJST</td>
</tr>
<tr>
<td>23</td>
<td>Overheads</td>
<td></td>
<td></td>
<td>99.30</td>
<td>191.29</td>
<td>191.29</td>
<td>Direct</td>
</tr>
<tr>
<td>24</td>
<td>Total (₹ in Lakh)</td>
<td></td>
<td></td>
<td>3,815.75</td>
<td>3,853.48</td>
<td>3,853.48</td>
<td></td>
</tr>
</tbody>
</table>

* HJST- Hindalco Jana Seva Trust is the implementing agency in some of our projects, registered under Trust Act.

6. **Reason for not spending two per cent of the average net profit of the last three financial years on CSR:**

Not Applicable

**RESPONSIBILITY STATEMENT**

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is as indicated:

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

**Mr. Satish Pai**  
Managing Director  
(DIN:06646758)

**Mrs. Rajashree Birla**  
Chairperson, CSR Committee  
(DIN: 00022995)

Date: 12th June, 2020
I. REGISTRATION & OTHER DETAILS

1. Corporate Identification Number (CIN) of the Company: L27020MH1958PLC011238
2. Registration Date: 15th December, 1958
3. Name of the Company: Hindalco Industries Limited
4. Category / Sub-category of the Company: Public Limited - Limited by shares and Company having share capital
5. Address of the Registered office & contact details: Ahura Centre, 1st Floor, ‘B’ Wing, Mahakali Caves Road, Andheri (East), Mumbai-400 093
   Tel: (91-22) 6691 7000 Fax: (91-22) 6691 7000
6. Whether listed Company: Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any: In House Share Transfer Agent Ahura Centre, 1st Floor, ‘B’ Wing, Mahakali Caves Road, Mumbai, 400 093 Contact No: 022 6691 7001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name and Description of main products / services</th>
<th>NIC Code of the Product / service</th>
<th>% to total turnover of the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aluminium and Aluminium Products</td>
<td>24202</td>
<td>49.66%</td>
</tr>
<tr>
<td>2</td>
<td>Copper and Copper Products</td>
<td>24201</td>
<td>37.52%</td>
</tr>
</tbody>
</table>

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and address of the Company</th>
<th>CIN/GLN</th>
<th>Holding/ Subsidiary/ Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Utkal Alumina International Limited J-6 Jayadev Vihar, Bhubaneswar, Odisha 751013</td>
<td>U13203OR1993PLC003416</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>2</td>
<td>Utkal Alumina Social Welfare Foundation J-6 Jayadev Vihar, Bhubaneswar, Khordha, Odisha 751013</td>
<td>U85100OR2020NPL032448</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>3</td>
<td>Minerals &amp; Minerals Limited Hindalco Complex, Court Road, Lohardaga, Jharkhand 835302</td>
<td>U26990JH1970PLC000875</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>4</td>
<td>Hindalco-Almex Aerospace Limited Ahura Centre, 1st Floor, ‘B’ Wing, Mahakali, Caves Road Andheri (East), Mumbai- 400 093</td>
<td>U27203MH2007PLC166651</td>
<td>Subsidiary</td>
<td>97.18%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>5</td>
<td>Suvas Holdings Limited Chandermukhi Building, Naranmandir Point, Mumbai 400021</td>
<td>U40300MH2000PLC128785</td>
<td>Subsidiary</td>
<td>74.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>6</td>
<td>Dahej Harbour and Infrastructure Limited Dist: Bharuch, Gujarat 392130</td>
<td>U45201GJ1998PLC035047</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>7</td>
<td>Lucknow Finance Company Limited Hindalco Industries Ltd, P.O. Renukoot Sonbhadra, Uttar Pradesh 231217</td>
<td>U65992UP1989PLC010802</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>Name and address of the Company</td>
<td>CIN/GLN</td>
<td>Holding/ Subsidiary/ Associate</td>
<td>% of shares held</td>
<td>Applicable Section</td>
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</tr>
<tr>
<td>8</td>
<td>Renuka Investments &amp; Finance Limited Hindalco Industries Ltd, P.O. Renukoot Sonbhadra, Uttar Pradesh 231217</td>
<td>U65910UP1994PLC017081 Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Renukeshwar Investments &amp; Finance Limited Hindalco Industries Ltd, P.O. Renukoot Sonbhadra, Uttar Pradesh 231217</td>
<td>U65910UP1994PLC017080 Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Tubed Coal Mines Limited Ahura Centre, 1st Floor, 'B' Wing, Mahakali Caves Road Andheri (East), Mumbai- 400 093</td>
<td>U10100MH2007PLC174466 Subsidiary (Joint Operation) 60.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>East Coast Bauxite Mining Company Private Limited J-6 Jayadev Vihar, Bhubaneswar, Odisha 751013</td>
<td>U13203OR2007PTC009597 Subsidiary 74.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12**</td>
<td>Hindalco do Brasil Industria e Comercio de Alumina Ltda Ouro Preto, State of Minas Gerais, at Avenida Américo René Gianetti, s/n, Saramenha, ZIP Code 35400-000</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13**</td>
<td>A V Metals Inc. 79 Wellington Street West, Suite 3000, Toronto, Ontario, Canada M5K 1N2</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>A V Minerals (Netherlands) N.V. Amerika Building, Hoogoorddreef 15, 1101 BA Amsterdam (Netherlands)</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Novelis Services (Europe) Inc. * c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808 USA</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16*</td>
<td>Novelis Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17**</td>
<td>Novelis (India) Infotech Ltd. Ahura Centre, 1st Floor, B Wing Mahakali Caves Road, Andheri (East), Mumbai City MH 400093</td>
<td>U72502MH2008SLC178655 Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18**</td>
<td>4260848 Canada Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19**</td>
<td>4260856 Canada Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20**</td>
<td>8018227 Canada Inc. 231 Church Street, Mississauga, Ontario L5M 1N1, Canada</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21**</td>
<td>Novelis Corporation (Texas) 211 E. 7th Street, Suite 620, Austin, 78701-3218, USA</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22**</td>
<td>Logan Aluminium Inc. (Delaware) Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA</td>
<td>NA Associate (Joint Operation) 40.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23**</td>
<td>Novelis Acquisitions LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA</td>
<td>NA Subsidiary 100.00% 2(87)(ii)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sr. No.</td>
<td>Name and address of the Company</td>
<td>CIN/GLN</td>
<td>Holding/Associate/Associate</td>
<td>% of shares held</td>
<td>Applicable Section</td>
</tr>
<tr>
<td>---------</td>
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<td>-----------------------------</td>
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<td>-------------------</td>
</tr>
<tr>
<td>24**</td>
<td>Novelis Holdings Inc Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>25**</td>
<td>Novelis South America Holdings LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>26**</td>
<td>Novelis do Brasil Ltda Av Das Nacoes Unidas, 12.551-14th and 15th floor, Torre Empresarial World Trade Centre, Brooklin Novo, Cep-04578-000, Brazil</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>27**</td>
<td>Novelis Lamines France SAS Rue Blaise Pascal, Technopolis, Batiment E, 28000 Chartres, France</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>28**</td>
<td>Novelis PAE SAS 725 rue Aristide Berges, Voreppe 38340, France</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>29**</td>
<td>Novelis Aluminium Beteiligungs GmbH Hannoversche Strasse 1, Göttingen, 37075, Germany</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>30**</td>
<td>Novelis Deutschland GmbH Hannoversche Strasse 1, Göttingen 37075, Germany</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>31**</td>
<td>Novelis Sheet Ingot GmbH (Germany) Hannoverschestrasse 1, Göttingen 37075, Germany</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>32**</td>
<td>Novelis Aluminium Holding Company 25/28 North Wall Quay, Dublin 1, Ireland</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>33**</td>
<td>Novelis Italia SpA Via Vittorio Veneto No. 106, Bresso, Milan, Italy</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>34**</td>
<td>Novelis de Mexico SA de CV Integra Servicios Integrales de Negocios, S.C., Calle Lazaro Cardenas No. 206, Colonia Leones, Monterrey, Nuevo Leon, C.P., 64600, Mexico</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>35**</td>
<td>Novelis Korea Limited 250 Jeokseo-Dong, Yeongju-City, Kyungsangbuk-Do, Korea</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>36**</td>
<td>Novelis AG (Switzerland) Sternenfeldstr. 19, Kusnacht, CH-8700, Switzerland</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>37**</td>
<td>Novelis Switzerland SA Route des Laminoirs 15, Sierre, 3960 Switzerland</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>38**</td>
<td>Novelis UK Ltd Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, WA4 1NN, UK</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>39**</td>
<td>Novelis Europe Holdings Limited Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, WA4 1NN, UK</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>40**</td>
<td>Novelis Services Limited Latchford Lock Works, Thelwall Lane, Warrington, Cheshire, WA4 1NN, UK</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
</tbody>
</table>
## ANNEXURE-VII

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name and address of the Company</th>
<th>CIN/GLN</th>
<th>Holding/Subsidiary/Associate</th>
<th>% of shares held</th>
<th>Applicable Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>41##</td>
<td>Novelis (Shanghai) Aluminium Trading Company Room 17T23, Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai, China</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>42##</td>
<td>Novelis (China) Aluminium Products Co. Ltd. No.19 Xingtang Road, Xin Bei District, Changzhou City, Jiangsu Province, China</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>43##</td>
<td>Novelis MEA Ltd (Dubai) Office No. 902, Level 9, Al Fattan Currency House, Tower, Dubai International Financial Centre, Dubai, UAE</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>44##</td>
<td>Novelis Vietnam Company Limited No. 3 VSIP II-A, Street No. 19, Vietnam-Singapore Industrial Park II-A, Tan Uyen District, Binh Duong Province, Vietnam</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>45##</td>
<td>Brecha Energetica Ltda Fazenda Usina Da Brecha, S/n, Municipio de Guaraciaba, Estado de Minas Gerais, CEP 35436-000- Brazil</td>
<td>NA</td>
<td>Subsidiary</td>
<td>99.99%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>46##</td>
<td>Novelis Services (North America) Inc Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>47##</td>
<td>Global Employment Organization PAC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808 USA</td>
<td>NA</td>
<td>Subsidiary</td>
<td>100.00%</td>
<td>2(87)(ii)</td>
</tr>
<tr>
<td>48</td>
<td>Deutsche Aluminium Verpackung Recycling GMBH Postfach 10 06 64, 41490 Grevenbroich/Aluminiumstr, Grevenbroich 41515, Germany</td>
<td>NA</td>
<td>Associate</td>
<td>30.00%</td>
<td>2(6)</td>
</tr>
<tr>
<td>49</td>
<td>France Aluminium Recyclage SA Rhenane Nord- RD52, Biesheim 68600, France</td>
<td>NA</td>
<td>Associate</td>
<td>20.00%</td>
<td>2(6)</td>
</tr>
<tr>
<td>50</td>
<td>Aluminium Norf GMBH Koblenzer Strasse 120, Neuss - Stuttgart, D-41468, Germany</td>
<td>NA</td>
<td>Associate (Joint Operation)</td>
<td>50.00%</td>
<td>2(6)</td>
</tr>
<tr>
<td>51</td>
<td>Aditya Birla Science and Technology Company Private Limited Aditya Birla Centre, C Wing, 1st Floor, S.K. Ahire Marg, Worli, Mumbai 400030</td>
<td>U74200MH2006PTC158951</td>
<td>Associate</td>
<td>49.00%</td>
<td>2(6)</td>
</tr>
<tr>
<td>52</td>
<td>Aditya Birla Renewables Subsidiary Limited A-4, Aditya Birla Centre S. K. Ahire Marg, Worli, Mumbai 400030</td>
<td>U40108MH2018PLC309087</td>
<td>Associate</td>
<td>26.00%</td>
<td>2(6)</td>
</tr>
<tr>
<td>54</td>
<td>Mahan Coal Limited 489, Parinhar house, Majankhurd, Majan more P.O.-Kachni, Waidhan, Distt - Sringauri Waidhan Sidhi MP 486886</td>
<td>U01010MP2006PLC018586</td>
<td>Associate (Joint Operation)</td>
<td>50.00%</td>
<td>2(6)</td>
</tr>
<tr>
<td>55</td>
<td>Logan Aluminium Inc. Russellville, Kentucky</td>
<td>NA</td>
<td>Associate (Joint Operation)</td>
<td>40.00%</td>
<td>2(6)</td>
</tr>
<tr>
<td>56</td>
<td>AlulInfra Services SA, Route des Lamincoirs 15, 3960 Sierre, Switzerland</td>
<td>NA</td>
<td>Associate (Joint Operation)</td>
<td>50.00%</td>
<td>2(6)</td>
</tr>
</tbody>
</table>

** 100% subsidiary of A V Minerals (Netherlands) N.V.
* 100% subsidiary of A V Metals Inc.
## 100% subsidiary of Novelis Inc.
### IV. SHARE HOLDING PATTERN

(Equality share capital breakup as percentage of total equity)

(i) **Category-wise Share Holding**

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the end of the year [As on 31-March-2019]</th>
<th>No. of Shares held at the end of the year [As on 31-March-2020]</th>
<th>% Change during the year</th>
<th>Demat</th>
<th>Physical</th>
<th>Total</th>
<th>% of Total Shares</th>
<th>Demat</th>
<th>Physical</th>
<th>Total</th>
<th>% of Total Shares</th>
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<tbody>
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<tr>
<td><strong>A. Promoters</strong></td>
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</tr>
<tr>
<td>(1) Indian</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>a) Individual/ HUF</td>
<td>23,98,696</td>
<td>–</td>
<td>23,98,696</td>
<td>0.11</td>
<td></td>
<td></td>
<td>23,98,696</td>
<td>0.11</td>
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<td></td>
<td>23,98,696</td>
</tr>
<tr>
<td>b) Central Govt</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>c) State Govt(s)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>d) Bodies Corp.</td>
<td>74,50,82,362</td>
<td>–</td>
<td>74,50,82,362</td>
<td>33.18</td>
<td>33.18</td>
<td></td>
<td>74,50,82,362</td>
<td>33.17</td>
<td>33.17</td>
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<td>74,50,82,362</td>
</tr>
<tr>
<td>e) Banks / FI</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
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</tr>
<tr>
<td>f) Any other</td>
<td>1,63,16,130</td>
<td>1,63,16,130</td>
<td>3.73</td>
<td>1,63,16,130</td>
<td>1,63,16,130</td>
<td>0.73</td>
<td>1,63,16,130</td>
<td>0.73</td>
<td>1,63,16,130</td>
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<tr>
<td><strong>Sub Total (A) (1)</strong></td>
<td>76,37,97,188</td>
<td>–</td>
<td>76,37,97,188</td>
<td>34.01</td>
<td>34.01</td>
<td></td>
<td>76,37,97,188</td>
<td>34.00</td>
<td>34.00</td>
<td></td>
<td>76,37,97,188</td>
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<tr>
<td>(2) Foreign</td>
<td></td>
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</tr>
<tr>
<td>a) NRI Individuals</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>b) Other Individuals</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>c) Bodies Corp.</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
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</tr>
<tr>
<td>d) Any other</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<td>–</td>
<td>–</td>
<td>–</td>
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</tr>
<tr>
<td><strong>Sub Total (A) (2)</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
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<td>–</td>
</tr>
<tr>
<td><strong>TOTAL (A)</strong></td>
<td>76,37,97,188</td>
<td>–</td>
<td>76,37,97,188</td>
<td>34.01</td>
<td>34.01</td>
<td></td>
<td>76,37,97,188</td>
<td>34.00</td>
<td>34.00</td>
<td></td>
<td>76,37,97,188</td>
</tr>
<tr>
<td><strong>B. Public Shareholding</strong></td>
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<tr>
<td>1. Institutions</td>
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<tr>
<td>a) Mutual Funds</td>
<td>29,72,06,144</td>
<td>15,420</td>
<td>29,72,21,564</td>
<td>13.24</td>
<td>13.24</td>
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<td>29,72,21,564</td>
<td>13.24</td>
<td>13.24</td>
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<td>29,72,21,564</td>
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<td>b) Banks / FI</td>
<td>57,31,524</td>
<td>48,550</td>
<td>57,70,074</td>
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<td>0.26</td>
<td></td>
<td>57,70,074</td>
<td>0.26</td>
<td>0.26</td>
<td></td>
<td>57,70,074</td>
</tr>
<tr>
<td>c) Central Govt/ State Govt</td>
<td>24,15,954</td>
<td>2,87,480</td>
<td>27,03,434</td>
<td>0.12</td>
<td>0.12</td>
<td></td>
<td>27,03,434</td>
<td>0.12</td>
<td>0.12</td>
<td></td>
<td>27,03,434</td>
</tr>
<tr>
<td>d) Venture Capital Funds</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
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<tr>
<td>e) Insurance Companies</td>
<td>19,64,36,757</td>
<td>6,080</td>
<td>20,30,44,757</td>
<td>0.26</td>
<td>0.26</td>
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<td>20,30,44,757</td>
<td>0.26</td>
<td>0.26</td>
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<td>20,30,44,757</td>
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<tr>
<td>f) FIls</td>
<td>53,19,36,583</td>
<td>5,820</td>
<td>53,25,19,403</td>
<td>3.69</td>
<td>3.69</td>
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<td>53,25,19,403</td>
<td>3.69</td>
<td>3.69</td>
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<td>53,25,19,403</td>
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<tr>
<td>g) Foreign Venture Capital Funds</td>
<td>–</td>
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<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
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<td>–</td>
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<tr>
<td>h) Others (specify)</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<td>–</td>
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<td>–</td>
</tr>
<tr>
<td><strong>Sub-total (B)(1)</strong></td>
<td>1,03,37,26,962</td>
<td>3,63,350</td>
<td>1,03,40,90,312</td>
<td>46.05</td>
<td>46.05</td>
<td></td>
<td>1,03,40,90,312</td>
<td>45.37</td>
<td>45.37</td>
<td></td>
<td>1,03,40,90,312</td>
</tr>
<tr>
<td>2. Non-Institutions</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Bodies Corp.</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>i) Indian</td>
<td>11,19,76,240</td>
<td>1,18,232</td>
<td>11,20,94,472</td>
<td>4.99</td>
<td>4.99</td>
<td></td>
<td>11,20,94,472</td>
<td>4.95</td>
<td>4.95</td>
<td></td>
<td>11,20,94,472</td>
</tr>
<tr>
<td>ii) Overseas</td>
<td>3,25,54,840</td>
<td>1,18,232</td>
<td>4,43,79,680</td>
<td>1.45</td>
<td>1.45</td>
<td></td>
<td>4,43,79,680</td>
<td>1.45</td>
<td>1.45</td>
<td></td>
<td>4,43,79,680</td>
</tr>
<tr>
<td><strong>Sub-total (B)(2)</strong></td>
<td>25,25,50,808</td>
<td>4,23,45,781</td>
<td>29,48,96,589</td>
<td>13.13</td>
<td>13.13</td>
<td></td>
<td>29,48,96,589</td>
<td>13.96</td>
<td>13.96</td>
<td></td>
<td>29,48,96,589</td>
</tr>
<tr>
<td><strong>Total Public (B)</strong></td>
<td>1,28,62,77,770</td>
<td>4,27,08,131</td>
<td>1,32,99,90,801</td>
<td>59.18</td>
<td>59.18</td>
<td></td>
<td>1,32,99,90,801</td>
<td>59.33</td>
<td>59.33</td>
<td></td>
<td>1,32,99,90,801</td>
</tr>
</tbody>
</table>
### Category of Shareholders

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>No. of Shares held at the end of the year</th>
<th>No. of Shares held at the end of the year</th>
<th>% Change during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[As on 31-March-2019]</td>
<td>[As on 31-March-2020]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demat</td>
<td>Physical</td>
<td>Total</td>
</tr>
<tr>
<td>C. Shares held by Custodian for GDRs &amp; ADRs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares held by Custodian</td>
<td>13,81,82,847</td>
<td>21,000</td>
<td>13,82,03,847</td>
</tr>
<tr>
<td>Shares Held by Promoters</td>
<td>1,45,42,309</td>
<td>0</td>
<td>1,45,42,309</td>
</tr>
<tr>
<td>Sub Total (C)</td>
<td>15,27,25,156</td>
<td>21,000</td>
<td>15,27,46,156</td>
</tr>
<tr>
<td>Grand Total (A+B+C)</td>
<td>2,20,28,00,114</td>
<td>4,27,30,131</td>
<td>2,24,55,30,245</td>
</tr>
</tbody>
</table>

### Shareholding of Promoter

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholder’s Name</th>
<th>Shareholding at the beginning of the year</th>
<th>Shareholding at the end of the year</th>
<th>% change in Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IGH Holdings Private Limited</td>
<td>34,99,63,487</td>
<td>15.59</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>Turquoise Investments and Finance Private Limited</td>
<td>12,40,12,468</td>
<td>5.52</td>
<td>0.00</td>
</tr>
<tr>
<td>3</td>
<td>Trapti Trading &amp; Investments Pvt Ltd</td>
<td>9,30,63,124</td>
<td>4.15</td>
<td>0.00</td>
</tr>
<tr>
<td>4</td>
<td>Grasim Industries Ltd</td>
<td>8,80,48,812</td>
<td>3.92</td>
<td>0.00</td>
</tr>
<tr>
<td>5</td>
<td>Pilani Investment &amp; Ind. Corp. Ltd</td>
<td>2,98,57,969</td>
<td>1.33</td>
<td>0.00</td>
</tr>
<tr>
<td>6</td>
<td>Umang Commercial Company Limited</td>
<td>2,73,30,360</td>
<td>1.22</td>
<td>0.00</td>
</tr>
<tr>
<td>7</td>
<td>Birla Institute of Technology and Science</td>
<td>2,15,83,090</td>
<td>0.96</td>
<td>0.00</td>
</tr>
<tr>
<td>8</td>
<td>Trustee Holding Shares Under the Scheme of Merger of HIL/GCL/IGFL on Behalf of Hindalco</td>
<td>1,63,16,130</td>
<td>0.73</td>
<td>0.00</td>
</tr>
<tr>
<td>9</td>
<td>Birla Group Holdings Private Limited</td>
<td>67,31,467</td>
<td>0.30</td>
<td>0.00</td>
</tr>
<tr>
<td>10</td>
<td>Kumar Mangalam Birla</td>
<td>8,65,740</td>
<td>0.40</td>
<td>0.00</td>
</tr>
<tr>
<td>11</td>
<td>Aditya Vikram Kumar Mangalam Birla Huf</td>
<td>6,48,632</td>
<td>0.03</td>
<td>0.00</td>
</tr>
<tr>
<td>12</td>
<td>Rajashree Birla</td>
<td>6,12,470</td>
<td>0.03</td>
<td>0.00</td>
</tr>
<tr>
<td>13</td>
<td>TGS Investment And Trade Private Limited</td>
<td>44,85,249</td>
<td>0.20</td>
<td>0.00</td>
</tr>
<tr>
<td>14</td>
<td>Vasavadatta Bajaj</td>
<td>1,21,319</td>
<td>0.01</td>
<td>0.00</td>
</tr>
<tr>
<td>15</td>
<td>Neerja Birla</td>
<td>1,14,640</td>
<td>0.01</td>
<td>0.00</td>
</tr>
<tr>
<td>16</td>
<td>Kumar Mangalam Birla F &amp; N G of Ananyashree Birla</td>
<td>35,895</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>17</td>
<td>Global Holdings Private Limited</td>
<td>6,336</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>18</td>
<td>PT Indo Bharat Rayon</td>
<td>96,33,890</td>
<td>0.43</td>
<td>0.00</td>
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<tr>
<td>19</td>
<td>PT Sunrise Bumi Textile</td>
<td>30,04,167</td>
<td>0.13</td>
<td>0.00</td>
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<tr>
<td>20</td>
<td>PT Elegant Textile Industry</td>
<td>19,02,752</td>
<td>0.08</td>
<td>0.00</td>
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<tr>
<td>21</td>
<td>Surya Kiran Investments Pte Ltd.</td>
<td>1,500</td>
<td>0.00</td>
<td>0.00</td>
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<td></td>
<td></td>
<td>77,83,39,497</td>
<td>34.66</td>
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</tr>
</tbody>
</table>

* 0.65% GDR held by Promoter Group
### Change in Promoters’ Shareholding (please specify, if there is no change)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Date</th>
<th>Reason</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares</td>
</tr>
<tr>
<td>1</td>
<td>Birla Group Holdings Private Limited</td>
<td>01-04-2019</td>
<td></td>
<td>67,31,467</td>
<td>0.30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>09-05-2019</td>
<td>Transferred due to Amalgamation</td>
<td>22,15,60,841</td>
<td>9.86%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-03-2020</td>
<td></td>
<td>22,82,92,308</td>
<td>10.16%</td>
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<tr>
<td>2</td>
<td>Turquoise Investments and Finance</td>
<td>01-04-2019</td>
<td></td>
<td>12,40,12,468</td>
<td>5.52%</td>
</tr>
<tr>
<td></td>
<td>Private Limited</td>
<td>09-05-2019</td>
<td>Transferred due to Amalgamation</td>
<td>12,40,12,468</td>
<td>5.52%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-03-2020</td>
<td></td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>3</td>
<td>Trapti Trading &amp; Investments Pvt Ltd</td>
<td>01-04-2019</td>
<td></td>
<td>9,30,63,124</td>
<td>4.14%</td>
</tr>
<tr>
<td></td>
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<td>09-05-2019</td>
<td>Transferred due to Amalgamation</td>
<td>9,30,63,124</td>
<td>4.14%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-03-2020</td>
<td></td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>4</td>
<td>TGS Investment And Trade Private</td>
<td>01-04-2019</td>
<td></td>
<td>44,85,249</td>
<td>0.20%</td>
</tr>
<tr>
<td></td>
<td>Limited</td>
<td>09-05-2019</td>
<td>Transferred due to Amalgamation</td>
<td>44,85,249</td>
<td>0.20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-03-2020</td>
<td></td>
<td>0</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name</th>
<th>No. of shares at the beginning (01.04.2019 end of year (31.03.2020))</th>
<th>% of the total shares of the Company</th>
<th>Date</th>
<th>Increase/Decrease in shareholding</th>
<th>Reason</th>
<th>No. of shares</th>
<th>% of total shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LIFE INSURANCE CORPORATION OF INDIA</td>
<td>17088048</td>
<td>7.61%</td>
<td>01-Apr-19</td>
<td></td>
<td></td>
<td>170858048</td>
<td>7.61%</td>
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## ANNEXURE-VII

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<th>Cumulative shareholding during the year (01.04.2019 to 31.03.2020)</th>
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Greener. Stronger. Smarter 71
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<th>% of the Total shares of the Company</th>
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## Shareholding of Directors and Key Managerial Personnel:

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<th>Reason</th>
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<th>Cumulative Shareholding during the year</th>
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<td>9,01,635</td>
<td>0.04%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>9,01,635</td>
<td>0.04%</td>
</tr>
<tr>
<td>2</td>
<td>Name: Smt. Rajashree Birla</td>
<td>01-04-2019</td>
<td></td>
<td>6,12,470</td>
<td>0.03%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>6,12,470</td>
<td>0.03%</td>
</tr>
<tr>
<td>3</td>
<td>Name: Mr. A.K. Agarwala</td>
<td>01-04-2019</td>
<td></td>
<td>1,16,148</td>
<td>0.01%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>1,16,148</td>
<td>0.01%</td>
</tr>
<tr>
<td>4</td>
<td>Name: Mr. D. Bhattacharya</td>
<td>01-04-2019</td>
<td></td>
<td>15,71,937</td>
<td>0.07%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>15,71,937</td>
<td>0.07%</td>
</tr>
<tr>
<td>5</td>
<td>Name: Mr. K.N. Bhandari</td>
<td>01-04-2019</td>
<td></td>
<td>5,071</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>5,071</td>
<td>0.00%</td>
</tr>
<tr>
<td>6</td>
<td>Name: Mr. Ram Charan</td>
<td>01-04-2019</td>
<td></td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>7</td>
<td>Name: Mr. Y.P. Dandiwala</td>
<td>01-04-2019</td>
<td></td>
<td>206</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>206</td>
<td>0.00%</td>
</tr>
<tr>
<td>8</td>
<td>Name: Mrs. Alka Bharucha</td>
<td>01-04-2019</td>
<td></td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>9</td>
<td>Name: Mr. Vikas Balia</td>
<td>01-04-2019</td>
<td></td>
<td>325</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>325</td>
<td>0.00%</td>
</tr>
<tr>
<td>10</td>
<td>Name: Mr. Sudhir Mital</td>
<td>01-04-2019</td>
<td></td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>11</td>
<td>Name: Mr. Satish Pai</td>
<td>01-04-2019</td>
<td></td>
<td>30,000</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td>Exercise of stock option</td>
<td>3,25,653</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td>3,55,653</td>
<td>0.02%</td>
</tr>
</tbody>
</table>
ANNEXURE-VII

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Shareholding of each Directors and each Key Managerial Personnel</th>
<th>Date</th>
<th>Reason</th>
<th>Shareholding at the beginning of the year</th>
<th>Cumulative Shareholding during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No. of shares</td>
<td>% of total shares</td>
</tr>
<tr>
<td>12</td>
<td>Name: Mr. Praveen Kumar Maheshwari</td>
<td>01-04-2019</td>
<td>Exercise of stock option</td>
<td>1,11,297</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Name: Mr. Anil Malik</td>
<td>01-04-2019</td>
<td>Exercise of stock option</td>
<td>2,000</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>At the beginning of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>At the end of the year</td>
<td>31-03-2020</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Including shares held as father and natural guardian of Ms. Ananyashree Birla. Additionally he holds 648,632 equity shares as a Karta of Aditya Vikram Kumar Mangalam Birla HUF

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Secured Loans excluding deposits</th>
<th>Unsecured Loans</th>
<th>Deposits</th>
<th>Total Indebtedness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indebtedness at the beginning of the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount (refer note 6)</td>
<td>15,713</td>
<td>3,788</td>
<td>-</td>
<td>19,501</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>542</td>
<td>24</td>
<td>-</td>
<td>566</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>16,255</td>
<td>3,812</td>
<td>-</td>
<td>20,067</td>
</tr>
<tr>
<td>Change in Indebtedness during the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Addition</td>
<td>1,046</td>
<td>9,413</td>
<td>-</td>
<td>10,459</td>
</tr>
<tr>
<td>* Reduction</td>
<td>-</td>
<td>(6,925)</td>
<td>-</td>
<td>(6,925)</td>
</tr>
<tr>
<td>Net Change</td>
<td>1,046</td>
<td>2,487</td>
<td>-</td>
<td>3,534</td>
</tr>
<tr>
<td>Indebtedness at the end of the financial year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Principal Amount</td>
<td>16,782</td>
<td>6,269</td>
<td>-</td>
<td>23,051</td>
</tr>
<tr>
<td>ii) Interest due but not paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>iii) Interest accrued but not due</td>
<td>534</td>
<td>33</td>
<td>-</td>
<td>567</td>
</tr>
<tr>
<td>Total (i+ii+iii)</td>
<td>17,316</td>
<td>6,302</td>
<td>-</td>
<td>23,618</td>
</tr>
</tbody>
</table>

*including Exchange Rate Difference on Foreign Exchange Borrowings

Note:
1. Includes current maturities of long term loan
2. Includes Sales tax deferral
3. Cash Credit - Movement is not available, hence not considered for movement
4. Addition / Reduction excluding Interest payment
5. Addition/Reduction does not include unamortized fees. However, the opening and closing Principal is after adjustment of unamortized expenses.
6. Opening balance adjusted on account of transition to Ind AS 116 Leases. Lease Liabilities are not included in above table
### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of MD/WTD/ Manager</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mr. Satish Pai</td>
<td>Mr. Praveen Kumar Maheshwari</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managing Director</td>
<td>Whole time Director</td>
</tr>
<tr>
<td>1</td>
<td>Gross salary</td>
<td>24.19</td>
<td>4.57</td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>6.99</td>
<td>1.47</td>
</tr>
<tr>
<td></td>
<td>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2</td>
<td>Stock Option (refer note below)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>3</td>
<td>Sweat Equity</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>4</td>
<td>Commission</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>- as % of profit</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>- others, specify</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>5</td>
<td>Others- Employers Contribution to Provident Fund</td>
<td>0.71</td>
<td>0.14</td>
</tr>
<tr>
<td></td>
<td>Employer Contribution to Superannuation Fund not included in perquisite Exemption</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>COE Reimbursement</td>
<td>–</td>
<td>0.06</td>
</tr>
<tr>
<td></td>
<td>Total (A)</td>
<td>31.91</td>
<td>6.26</td>
</tr>
</tbody>
</table>

Ceiling as per the Act: 62.00

**Note** - The perquisite value of stock options exercised by above directors is included as part of 1(b) above.

#### B. Remuneration to other Directors

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of Directors</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mr. Kumar Mangalam Birla</td>
<td>Smt. Rajashree Birla</td>
</tr>
<tr>
<td>1</td>
<td>Independent Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fee for attending board committee meetings</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Others, please specify</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Total (1)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2</td>
<td>Other Non-Executive Directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fee for attending board committee meetings</td>
<td>0.03</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td>0.00</td>
<td>1.09</td>
</tr>
<tr>
<td></td>
<td>Others, please specify</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Total (2)</td>
<td>0.03</td>
<td>1.11</td>
</tr>
<tr>
<td></td>
<td>Total (B)=(1+2)</td>
<td>0.03</td>
<td>1.11</td>
</tr>
<tr>
<td></td>
<td>Total Managerial Remuneration (A+B)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note** - The perquisite value of stock options exercised by above directors is included as part of 1(b) above.

* In addition to above, the Board approved pension of Mr. D. Bhattacharya of ₹ 0.335 crore per month, hence he has been paid ₹ 4.02 crore as pension and ₹ 0.02 crore towards reimbursement of medical expenses for his past service as Managing Director.

Greener. Stronger. Smarter 77
ANNEXURE-VII

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars of Remuneration</th>
<th>Name of Key Managerial Personnel</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Designation</td>
<td>Mr. Praveen Kumar Maheshwari</td>
<td>Mr. Anil Malik</td>
</tr>
<tr>
<td>1</td>
<td>Gross salary</td>
<td>CFO</td>
<td>CS</td>
</tr>
<tr>
<td>(a)</td>
<td>Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>4.57</td>
<td>1.29</td>
</tr>
<tr>
<td>(b)</td>
<td>Value of perquisites u/s 17(2) Income-tax Act, 1961</td>
<td>1.47</td>
<td>0.05</td>
</tr>
<tr>
<td>(c)</td>
<td>Profits in lieu of salary under section 17(3) Income-tax Act, 1961</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2</td>
<td>Stock Option</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>3</td>
<td>Sweat Equity</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>4</td>
<td>Commission</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>- as % of profit</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>- others, specify</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>5</td>
<td>Others- Employers Contribution to Provident Fund</td>
<td>0.14</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>Employers Contribution to Superannuation Fund not included in perquisite</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td></td>
<td>COE Reimbursement</td>
<td>0.06</td>
<td>0.03</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>6.26</td>
<td>1.43</td>
</tr>
</tbody>
</table>

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Section of the Companies Act</th>
<th>Details of Penalty / Punishment / Compounding fees imposed</th>
<th>Authority [RD / NCLT / COURT]</th>
<th>Appeal made, if any (give Details)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. COMPANY</td>
<td></td>
<td>There were no penalties / punishment / compounding of offences for year ended 31st March, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. DIRECTORS</td>
<td></td>
<td>There were no penalties / punishment / compounding of offences for year ended 31st March, 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Punishment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compounding</td>
<td></td>
<td></td>
<td></td>
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<td>C. OTHER OFFICERS IN DEFAULT</td>
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ANNEXURE-VIII

**Form AOC-1**

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A” - Subsidiaries

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Subsidiary Company</th>
<th>Country</th>
<th>Reporting currency</th>
<th>Capital</th>
<th>Reserves</th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Shares, Debentures, Bonds &amp; Others</th>
<th>Turnover/Revenues</th>
<th>Profit/ (Loss) before Tax</th>
<th>Provision for Tax</th>
<th>Profit/ (Loss) after Tax</th>
<th>Proposed Dividend</th>
<th>% of Share Holding</th>
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Figures: INR in Crore & Foreign Currency in Million
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<tr>
<th>Sr. No.</th>
<th>Name of the Subsidiary Company</th>
<th>Country</th>
<th>Reporting currency</th>
<th>Capital</th>
<th>Reserves</th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Shares, Debenture, Bonds &amp; Others</th>
<th>Turnover/Revenues</th>
<th>Profit/(Loss) before Tax</th>
<th>Provision for Tax</th>
<th>Profit/(Loss) after Tax</th>
<th>Proposed Dividend</th>
<th>% of Share Holding</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Total Liabilities</td>
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<td>Provision for Tax</td>
<td>Profit/ (Loss) before Tax</td>
<td>Profit/ (Loss) after Tax</td>
<td>Proposed Dividend</td>
<td>% of Share Holding</td>
</tr>
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<td>0.00</td>
<td>(3.96)</td>
<td>(0.31)</td>
<td>0.00</td>
<td>0.00</td>
<td>100 VND</td>
</tr>
<tr>
<td>41</td>
<td>Novelis Services (North America) Inc. *</td>
<td>USA</td>
<td>INR</td>
<td>0.00</td>
<td>0.00</td>
<td>0.04</td>
<td>0.04</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100 USD</td>
</tr>
<tr>
<td>42</td>
<td>Novelis Services (Europe) Inc. *</td>
<td>USA</td>
<td>INR</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100 USD</td>
</tr>
<tr>
<td>43</td>
<td>Brecha Energética Ltda *</td>
<td>Brazil</td>
<td>INR</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100 BRL</td>
</tr>
<tr>
<td>44</td>
<td>Novelis Global Employment, Organization, Inc</td>
<td>USA</td>
<td>INR</td>
<td>2.45</td>
<td>(0.11)</td>
<td>28.74</td>
<td>26.40</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100 USD</td>
</tr>
<tr>
<td>45</td>
<td>Hindalco Do Brasil Industria Comercia de Alumina LTDA</td>
<td>Brazil</td>
<td>INR</td>
<td>1,037.66</td>
<td>(953.95)</td>
<td>235.36</td>
<td>151.66</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100 Reais</td>
</tr>
</tbody>
</table>

**Deutsche Aluminium Verpackung Recycling GmbH**

France Aluminium Recyclage SA

# Subsidiary of AV Minerals (Netherlands) N.V.

## Subsidiary of AV Metals Inc.

## Subsidiary of Ural Alumina International Limited

% De-registered/Disolved/Liquidated etc.

$ Under Liquidation

* Balance sheet items are translated at closing exchange rate and Profit/(Loss) items are translated at average exchange rate.

|| For Indian Entities Revenue includes Turnover + Other Income

**List of Subsidiaries which have been liquidated / amalgamated / sold during FY 19-20**

<table>
<thead>
<tr>
<th>From Ccy</th>
<th>To Ccy</th>
<th>Avg spot rate for the year</th>
<th>Closing rate for 31st March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD</td>
<td>INR</td>
<td>48.3164</td>
<td>46.2455</td>
</tr>
<tr>
<td>BRL</td>
<td>INR</td>
<td>17.2009</td>
<td>14.4879</td>
</tr>
<tr>
<td>CAD</td>
<td>INR</td>
<td>53.3069</td>
<td>53.3969</td>
</tr>
<tr>
<td>CHF</td>
<td>INR</td>
<td>71.3006</td>
<td>78.1688</td>
</tr>
<tr>
<td>CNY</td>
<td>INR</td>
<td>10.1763</td>
<td>10.6379</td>
</tr>
<tr>
<td>EUR</td>
<td>INR</td>
<td>78.7617</td>
<td>82.9225</td>
</tr>
<tr>
<td>GBP</td>
<td>INR</td>
<td>90.1416</td>
<td>93.5796</td>
</tr>
<tr>
<td>JPY</td>
<td>INR</td>
<td>0.6522</td>
<td>0.6995</td>
</tr>
<tr>
<td>NOK</td>
<td>INR</td>
<td>7.8663</td>
<td>7.2373</td>
</tr>
<tr>
<td>SEK</td>
<td>INR</td>
<td>7.4030</td>
<td>7.5807</td>
</tr>
<tr>
<td>SGD</td>
<td>INR</td>
<td>51.6894</td>
<td>52.9909</td>
</tr>
<tr>
<td>ZAR</td>
<td>INR</td>
<td>4.0200</td>
<td>4.2318</td>
</tr>
<tr>
<td>KRW</td>
<td>INR</td>
<td>0.0600</td>
<td>0.0618</td>
</tr>
<tr>
<td>VND</td>
<td>INR</td>
<td>0.0030</td>
<td>0.0032</td>
</tr>
<tr>
<td>USD</td>
<td>INR</td>
<td>70.8991</td>
<td>75.3430</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>From Ccy</th>
<th>To Ccy</th>
<th>Avg spot rate for the year</th>
<th>Closing rate for 31st March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL</td>
<td>USD</td>
<td>0.2440</td>
<td>0.1923</td>
</tr>
<tr>
<td>CHF</td>
<td>USD</td>
<td>1.0151</td>
<td>1.0375</td>
</tr>
<tr>
<td>CNY</td>
<td>USD</td>
<td>0.1436</td>
<td>0.1412</td>
</tr>
<tr>
<td>EUR</td>
<td>USD</td>
<td>1.1113</td>
<td>1.1066</td>
</tr>
<tr>
<td>GBP</td>
<td>USD</td>
<td>1.2716</td>
<td>1.2421</td>
</tr>
<tr>
<td>JPY</td>
<td>USD</td>
<td>0.0093</td>
<td>0.0093</td>
</tr>
<tr>
<td>SEK</td>
<td>USD</td>
<td>0.1044</td>
<td>0.1066</td>
</tr>
<tr>
<td>SGD</td>
<td>USD</td>
<td>0.7292</td>
<td>0.7034</td>
</tr>
</tbody>
</table>

List of Subsidiaries which are yet to commence operations.

<table>
<thead>
<tr>
<th>List of Subsidiaries which are yet to commence operations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Coast Bauxite Mining Co.Pvt.Ltd</td>
</tr>
</tbody>
</table>
### Part “B” Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Associates / Joint Ventures</th>
<th>Shares of Associate/Joint Ventures held by the company on the year end</th>
<th>Profit/Loss for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Latest Audited Balance Sheet Date</td>
<td>Number of shares</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Aditya Birla Science and Technology Company Private Limited</td>
<td>31-Mar-20</td>
<td>98,00,000</td>
</tr>
<tr>
<td>2</td>
<td>Aditya Birla Renewables Subsidiary Ltd</td>
<td>31-Mar-20</td>
<td>68,96,200</td>
</tr>
<tr>
<td>3</td>
<td>Aditya Birla Renewable Utkal Limited (ABRUL)</td>
<td>31-Mar-20</td>
<td>12,74,000</td>
</tr>
<tr>
<td>4</td>
<td>Associates of Novelis Inc.®</td>
<td>31-Dec-19</td>
<td>3,001.00</td>
</tr>
<tr>
<td>Joint Ventures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Hydromine Global Minerals (GMBH) Limited</td>
<td>31-Mar-18</td>
<td>66,562</td>
</tr>
<tr>
<td>2</td>
<td>MNH Shakti Limited</td>
<td>31-Mar-20</td>
<td>1,27,65,000</td>
</tr>
<tr>
<td>Joint Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mahan Coal Limited</td>
<td>31-Mar-20</td>
<td>4,12,50,000</td>
</tr>
<tr>
<td>2</td>
<td>Tubed Coal Mines Limited</td>
<td>31-Mar-20</td>
<td>1,52,98,700</td>
</tr>
<tr>
<td>3</td>
<td>Associates of Novelis Inc. ©</td>
<td>31-Dec-19</td>
<td>10,041.00</td>
</tr>
<tr>
<td>@ - Associates of Novelis Inc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deutsche Aluminium VerpackungRecycling GMBH</td>
<td>31-Dec-19</td>
<td>1</td>
<td>1.72</td>
</tr>
<tr>
<td>France Aluminium Recyclage SA</td>
<td>31-Dec-19</td>
<td>3,000</td>
<td>0.37</td>
</tr>
<tr>
<td>@ - Joint Operations of Novelis Inc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminium Norf GmbH</td>
<td>31-Dec-19</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ulsan Aluminium Limited</td>
<td>31-Mar-20</td>
<td>5,000</td>
<td>1,819</td>
</tr>
<tr>
<td>Logan Aluminium Inc.</td>
<td>31-Mar-20</td>
<td>40</td>
<td>0.00</td>
</tr>
<tr>
<td>AluInfra Services SA</td>
<td>31-Dec-19</td>
<td>5,000</td>
<td>93</td>
</tr>
</tbody>
</table>

Note A: There is significant influence due to percentage holding of share capital

Note B: Non-availability of financial statements

Note C: The Group has joint control over the joint arrangements

For and on behalf of the Board of Hindalco Industries Limited

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

Satish Pai
Managing Director
DIN-06646758

Anil Malik
Company Secretary
DIN-00026078

K N Bhandari
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
Building Sustainable Businesses at the Aditya Birla Group:

Aditya Birla Group is set on a path of becoming a leading Indian conglomerate for building sustainable practices throughout its operations worldwide. We foresee a future built of “Sustainable Businesses” which would continue to flourish in a “Sustainable World” with growing needs and stringent environmental and legal constraints. Transcending towards a “Sustainable World”, we envision a future which would contain only “Sustainable Businesses”. On our path of transformation towards a Sustainable World, we integrate innovation with our existing sustainability models with an ambition to make our business sustainable in every sense of its term.

In an attempt to make our company and business endeavours adaptable for the future world, we have committed ourselves to operate within the constraints of a two-degree sustainable world - a pledge entered into by all nations at the historic United Nations Paris Agreement 2015 on Climate Change. Being well aware of our operational implications on the environment, we take efforts to mitigate these impacts thereby contributing towards the creation of a sustainable planet.

Preparing ourselves for a sustainable future, we ponder over a question about the status quo of sustainable ways today – “If everyone and every business followed the law as written today, is the planet sustainable?”. Rapid growth of population, which is estimated to reach 9 billion by 2050, coupled with the challenges of climate change, scarcity of natural resources, increased pollution levels, large volume of waste generation and loss of biodiversity pose a threat to the sustenance of our planet. It calls for collective efforts from leaders across the globe to unite international bodies and governments to mitigate these ecological risks and control the damage caused till date. For us at Aditya Birla Group it is imperative to be ahead in leading this change for better.

We work to strengthen our management systems in order to contribute effectively in building a sustainable business. This forms the initial step of our programme to transform to a sustainable business. Further as part of this programme, our “Responsible Stewardship” agenda focusses on moving past mere legal compliances and conforming to the international standards set by the global bodies of the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD), the International Standards Organisation (ISO), Occupational Health and Safety Advisory Services (OHSAS), the Global Reporting Initiative (GRI), the Forestry Stewardship Council and others. We have adopted a Group wide Sustainable Business Framework of Policies, and formulated Technical Standards, and Guidance Notes for our leadership, as well as our managers, employees and contract workers to inculcate a sense of ownership among them towards their performance contributions in building a sustainable business. Our Group Sustainable Business Framework is currently certified to 14 international standards (http://sustainability.adityabirla.com/).

We have seen subsequent reductions in our number of accidents, and consumption of energy and water. We have also been successful in implementing our Biodiversity programme led us to build new bathrooms especially for women and differently abled people. Such initiatives ensure well-being of our people thereby fostering an environment for inclusive growth. Achievements of these type draws us closer to our goal of building a platform for a sustainable business. It becomes the need of the hour to think beyond the agenda of “Responsible Stewardship” in order to create completely sustainable business models and systems for the future. Accounting for the global mega-trends and their geographical, physical, technological effects and the changes needed in the legal system (including regulations and tax) – are some of the parameters that needs to be transformed for businesses to adapt to the future needs of a “Sustainable World”. To identify the risks these external factors can have on our businesses, we need to enhance our performances and involve our Strategic stakeholders having expertise in these domains. To ensure our preparedness for the future, we need to improve our business models, strategies and risk profiles to “Future Proof” our business endeavours. In order to build resilient business operations, we need to align our value chains with the demands of a “Sustainable World”. If only a “Sustainable business” can be contained in a “Sustainable World”, then it must be backed by a “Sustainable Value Chain”. With an aim to lead in this endeavor, it has become our business imperative to map our value chains to the sustainable model of the future. Our leadership is getting ready to identify external factors that might have an influence on our value chains and business models and the changing needs in terms of our products and brands.

To minimize the impacts of these inevitable changes of the future, we need to build robust and sustainable supply chains for our businesses. For influencing such a change, it will take time especially with businesses with complex value chains. But to begin our journey on this path, we are making the businesses of today ‘future-ready’ and thereby contributing in our own way to the larger picture of building a “Sustainable tomorrow”.

Greener. Stronger. Smarter
Hindalco Sustainability Vision

“Hindalco endeavours to become the leading Indian conglomerate for sustainable business practices across our global operations. We believe that this means that as we go forward towards the constrained operating environments of 2030 and 2050 that for a continued “Sustainable World” it can increasingly only contain “Sustainable Businesses”.

Hindalco has been publishing Sustainability Report since FY 11 using the Global Reporting Initiative (GRI) Framework. The report for 2018-19 titled ‘Transforming Towards a Resilient, Responsible and Reliable Future’ has been assured to the Comprehensive Option of GRI standard by EY (External independent assessing agency).

The Company will also publish Sustainability Report for FY 2019-20 and it will be hosted on its website www.hindalco.com. Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of your Company.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company
   L27020MH1958PLC011238
2. Name of the Company
   Hindalco Industries Limited
3. Registered address
   Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai: 400093
4. Website
   www.hindalco.com
5. E-mail id
   anil.malik@adityabirla.com
6. Financial Year reported
   01st April, 2019 to 31st March, 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

<table>
<thead>
<tr>
<th>ITC Code</th>
<th>Product Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7601</td>
<td>Aluminium Ingots</td>
</tr>
<tr>
<td>7606</td>
<td>Aluminium Rolled Products</td>
</tr>
<tr>
<td>7605</td>
<td>Aluminium Redraw Rods</td>
</tr>
<tr>
<td>7403</td>
<td>Copper Cathodes</td>
</tr>
<tr>
<td>7408</td>
<td>Copper Wires</td>
</tr>
<tr>
<td>7408</td>
<td>Continuous Cast Copper Rods</td>
</tr>
<tr>
<td>2807</td>
<td>Sulphuric Acid</td>
</tr>
<tr>
<td>7108</td>
<td>Gold</td>
</tr>
<tr>
<td>7106</td>
<td>Silver</td>
</tr>
</tbody>
</table>
8. List three key products/ services that the Company manufactures/provides (as in balance sheet)
   • Aluminium Ingots / Rolled Products
   • Copper Cathodes
   • Concast Copper Rods

9. Total number of locations where business activity is undertaken by the Company

   Major International Locations
   • USA
   • Germany
   • United Kingdom
   • Brazil
   • South Korea

   Number of National Locations:
   • 4 Aluminium;
   • 1 Copper Unit
   • 4 Chemical Units (including one unit of Utkal Alumina International Limited, wholly owned subsidiary of the Company)
   • 4 Power Units
   • 5 Rolled FRP
   • 2 Extrusions
   • 1 Foil
Registered Office and Zonal Marketing Offices

- Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Mumbai: 400 093.
- Bauxite and Coal Mines in the state of Jharkhand, Chhattisgarh, Maharashtra and Orissa.
- Copper Marketing office are at Mumbai, Bangalore and Noida.

Markets served by the Company

<table>
<thead>
<tr>
<th>Markets served by the Company</th>
<th>Local</th>
<th>State</th>
<th>National</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Section B: Financial Details of the Company (Standalone)

1. Paid-up Capital (₹)          222.39 crores
2. Total Turnover (₹)           40222 crore
3. Total Profits after taxes (₹) 620 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)
   The company has spent ₹ 38.53 Crore as CSR spent which is which is 2.05 % of the average net profit for the previous three financial years
5. List of activities in which expenditure in 4 above has been incurred
   a. Education
   b. Health Care
   c. Women empowerment
   d. Sustainable Livelihood
   e. Infrastructure Development

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?
   Yes, as on 31st March, 2020, the Company has 45 subsidiaries-11 domestic and 34 foreign.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):
   Hindalco's Sustainability Report covers only the India Operations. Further, Novelis Inc., also publishes Sustainability Report (Purpose Report) separately.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?
   At present, suppliers and distributors with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company directly.

Section D: BR Information

1. Details of Director/Directors responsible for BR
   a. Details of the Director/Director responsible for implementation of the BR policy/policies

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>DIN Number (if applicable)</td>
<td>N.A.</td>
</tr>
<tr>
<td>2</td>
<td>Name</td>
<td>Mr. Anil Malik</td>
</tr>
<tr>
<td>3</td>
<td>Designation</td>
<td>President &amp; Company Secretary</td>
</tr>
<tr>
<td>4</td>
<td>Tel. No.</td>
<td>022-66626666</td>
</tr>
<tr>
<td>5</td>
<td>E-mail id</td>
<td><a href="mailto:anil.malik@adityabirla.com">anil.malik@adityabirla.com</a></td>
</tr>
</tbody>
</table>

2. The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:
   P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
   P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
   P3 Businesses should promote the well being of all employees
   P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
   P5 Businesses should respect and promote human rights
   P6 Business should respect, protect, and make efforts to restore the environment
   P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
   P8 Businesses should support inclusive growth and equitable development
   P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

The mapping of the aforesaid principles to the disclosures shall be made in the Sustainability Report 2019-20 will be available on our website www.hindalco.com.
CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

The Aditya Birla Group is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are a product of self-desire reflecting the culture of the trusteeship i.e., deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our governance philosophy rests on five basic tenets viz., Board accountability to the Company and the shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosures.

In line with this philosophy, Hindalco Industries Limited (the Company), flagship Company of the Aditya Birla Group, is striving for excellence through adoption of best governance and disclosure practices. The Company, as a continuous process, strengthens the quality of disclosures, on the Board composition and its functioning, remunerations paid and level of compliance with various Corporate Governance Codes.

Compliance with Corporate Governance Guidelines

The Company is fully compliant with the requirements under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, and amendment thereto hereinafter referred to the "Listing Regulations". Your Company’s compliance with these requirements is presented in the subsequent sections of this report.

BOARD OF DIRECTORS

Composition of the Board

Your Company’s Board comprises of 10 Non-Executive Directors as on March 31, 2020 with considerable experience in their respective fields. Of these, 6 Directors are Independent Directors which includes one woman director. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than 5 Committee (as specified in Regulation 26 of Listing Regulations), across all the Companies in which they hold Directorships. Further, none of the Non-Executive Directors serve as Independent Directors in more than seven listed companies and none of the Executive or Whole-time Directors serve as Independent Directors on any listed Company. All the Directors have periodically intimated about their Directorship and Membership in the various Boards / Committees of other companies. The same is within permissible limits as provided by the Companies Act, 2013 and Listing Regulations.

The details of the Directors with regard to outside directorships and committee positions as at March 31, 2020 are as follows:

<table>
<thead>
<tr>
<th>Director*</th>
<th>Category</th>
<th>No. of other Directorships Held</th>
<th>No. of outside Companies Committee Positions Held</th>
<th>Name of Outside Listed Entity where the person is a Director</th>
<th>Category of Directorship in outside Listed Entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kumar Mangalam Birla7,8 [DIN: 00012813]</td>
<td>Non-Executive Chairman</td>
<td>08</td>
<td>-</td>
<td>1. Grasim Industries Limited</td>
<td>Non-Executive Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. UltraTech Cement Limited</td>
<td>Non-Executive Chairman</td>
</tr>
<tr>
<td></td>
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<td>3. Vodafone Idea Limited</td>
<td>Non-Executive Chairman</td>
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<td></td>
<td>4. Century Textiles and Industries Limited</td>
<td>Non-Executive Chairman</td>
</tr>
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<td></td>
<td>5. Aditya Birla Capital Limited</td>
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<tr>
<td>Mrs. Rajashree Birla7,8 [DIN: 00022995]</td>
<td>Non-Executive</td>
<td>06</td>
<td>-</td>
<td>1. Grasim Industries Limited</td>
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<td>2. UltraTech Cement Limited</td>
<td>Non-Executive Director</td>
</tr>
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<td></td>
<td>3. Pilani Investment and Industries Corporation Limited</td>
<td>Non-Executive Director</td>
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<td>4. Century Textiles and Industries Limited</td>
<td>Non-Executive Director</td>
</tr>
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<td></td>
<td>5. Century Enka Limited</td>
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</tr>
<tr>
<td>Mr. A. K. Agarwala2 [DIN: 00023684]</td>
<td>Non-Executive</td>
<td>05</td>
<td>-</td>
<td>1. Tanfac Industries Limited</td>
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</tr>
<tr>
<td>Mr. D. Bhattacharyya [DIN: 00033553]</td>
<td>Non-Executive Director</td>
<td>02</td>
<td>03</td>
<td>1. Vodafone Idea Limited</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2. NOCIL Limited</td>
<td>Independent Director</td>
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</table>

*Note: DIN refers to the Director Identification Number.
<table>
<thead>
<tr>
<th>Director⁴</th>
<th>Category</th>
<th>No. Of other Directorships Held⁵</th>
<th>No. of outside Companies Committee Positions Held⁶</th>
<th>Name of Outside Listed Entity where the person is a Director</th>
<th>Category of Directorship in outside Listed Entities</th>
</tr>
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<tr>
<td>Mr. K. N. Bhandari¹ [DIN: 00026078]</td>
<td>Independent¹</td>
<td>08</td>
<td>04</td>
<td>03</td>
<td>1. Jaiprakash Associates Limited</td>
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<td>2. Gujarat Sidhee Cement Limited</td>
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<td>3. Saurashtra Cement Limited</td>
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<td>4. Jaiprakash Power Ventures Limited</td>
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<td>5. Shristi Infrastructure Developments Corporation Limited</td>
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<tr>
<td>Mrs. Alka Bharucha¹ [DIN: 00114067]</td>
<td>Independent¹</td>
<td>08</td>
<td>05</td>
<td>03</td>
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<td>2. Orient Electric Limited</td>
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<td>3. Honda Siel Power Products Limited</td>
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<td></td>
<td>4. Birlasoft Limited</td>
</tr>
<tr>
<td>Mr. Ram Charan³ [DIN: 03464530]</td>
<td>Independent¹</td>
<td>01</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Mr. Y. P. Dandiwal¹ [DIN: 01055000]</td>
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<td>03</td>
<td>02</td>
<td>01</td>
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<td></td>
<td>2. Pilani Investment and Industries Corporation Limited</td>
</tr>
<tr>
<td>Mr. Satish Pai [DIN: 06646758]</td>
<td>Managing Director</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mr. Praveen Kumar Maheshwari [DIN: 00174361]</td>
<td>Whole-time Director</td>
<td>01</td>
<td>-</td>
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</tr>
<tr>
<td>Dr. Vikas Balia¹,³ [DIN: 00424524]</td>
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<tr>
<td>Mr. Sudhir Mital¹,⁴ [DIN: 08314675]</td>
<td>Independent¹</td>
<td>-</td>
<td>-</td>
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</table>

1. Independent Director means a director defined as such under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013.
2. Mr. A. K. Agarwala was an Executive Director till September 10, 2003. Thereafter, he has moved to other responsibilities in the Aditya Birla Group.
3. Dr. Vikas Balia was appointed as an Independent Director w.e.f July 19, 2019.
4. Mr. Sudhir Mital was appointed as an Independent Director w.e.f November 11, 2019.
5. Excludes Directorship held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
6. Represents only membership/chairmanship of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.
7. No other Director is related to any other Director on the Board except for Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla who are son and mother respectively.
8. Mr. Kumar Mangalam Birla and Smt. Rajashree Birla belong to the Promoter group of the Company.
9. Mr. M M Bhagat (DIN: 00062456) has ceased to be an Independent Director w.e.f August 30, 2019 due to old age.
10. Mr. Girish Dave (DIN: 00036455) has resigned as Independent Director w.e.f. November 11, 2019 due to age and personal reasons.

*The average tenure of the Board as on 31st March, 2020 is approximately 10 years.
**CORPORATE GOVERNANCE REPORT**

**Board’s functioning and Procedure**

Hindalco’s Board of Directors plays a primary role in ensuring good governance and functioning of the Company. All statutory and other significant & material information including information as mentioned in Regulation 17 (7) read together with Schedule II of Listing Regulations is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

**Your Company’s Board of Directors have identified the following skills / expertise / competencies to function and discharge their responsibilities effectively:**

- Industry knowledge
- Innovation
- Financial Literacy
- Corporate Governance
- Strategic Expertise
- Marketing
- Legal and Compliance
- Sustainability
- Risk Management
- Human Development
- General Management
- Metals and Mining

<table>
<thead>
<tr>
<th></th>
<th>Industry Knowledge</th>
<th>Innovation</th>
<th>Financial Literacy</th>
<th>Corporate Governance</th>
<th>Strategic Experience</th>
<th>Marketing</th>
<th>Legal &amp; Compliance</th>
<th>Sustainability</th>
<th>Risk Management</th>
<th>Human Development</th>
<th>General Management</th>
<th>Metals and Mining</th>
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<tbody>
<tr>
<td>K M Birla</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Rajashree Birla</td>
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<tr>
<td>Satish Pai</td>
<td>✓</td>
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<tr>
<td>D. Bhattacharya</td>
<td>✓</td>
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<td>P K Maheshwari</td>
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<tr>
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<tr>
<td>Ram Charan</td>
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<td>Alka Bharucha</td>
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<tr>
<td>Vikas Balia</td>
<td>✓</td>
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<tr>
<td>Sudhir Mital</td>
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</tbody>
</table>

**Board members collectively display the following personal qualities:**

- **Integrity** – fulfilling a director’s duties and responsibilities;
- **Curiosity and courage** – to ask questions and courage to persist in asking or challenging management and fellow board members where necessary;
- **Interpersonal skills** – work well in a group, listen well, be tactful, able to communicate point of view frankly;
- **Interest** – in the organization, its business and the people;
- **Instinct** – good business instincts and acumen, ability to get to the crux of the issue quickly;
- Believer in gender diversity; and
- **Active participation** – at deliberations in the meeting.

Your Company’s Board comprises of an equal number of Independent and Non-Independent Directors. The Directors are professionals, possessing wide experience and expertise in their areas of function - strategy; finance; governance and legal; marketing, insurance, among others, which together with their collective wisdom fuel your Company’s growth. With one-sixth of the Board comprising of woman directors, the Board reflects gender diversity.
A brief profile of the Directors of your Company is as follows:

**Kumar Mangalam Birla** was appointed as a Non-Executive Chairman of our Company with effect from October 19, 1995. He is the Chairman of the $48.3 billion multinational Aditya Birla Group, which operates in 36 countries across six continents. He is a Chartered Accountant and holds an MBA degree from the London Business School. Mr. Birla chairs the Boards of all major Group companies in India and globally - Novelsis, Columbian Chemicals, Aditya Birla Minerals, Aditya Birla Chemicals, Thai Carbon Black, Alexandria Carbon Black, Domsjö Fabriker and Terrace Bay Pulp Mill. In India, apart from chairing your Company’s Board, he also chairs the Boards of UltraTech Cement Limited, Grasim Industries Limited, Aditya Birla Capital Limited and Vodafone Idea Limited. In over two decades, that he has been at the helm of the Group, he has accelerated growth, built meritocracy and enhanced stakeholder value. In the process he has raised the Group’s turnover from $2 billion in 1995, to over $48 billion today. He has been the architect of over 40 acquisitions by the group in 20 years in India and globally, the highest by an Indian multinational in India. Under his stewardship, the Aditya Birla Group enjoys a position of leadership in all the major sectors in which it operates. Over the years, Mr. Birla has built a highly successful meritocratic organisation, anchored by an extraordinary force of 120,000 employees belonging to 42 different nationalities. Outside the Group, Mr. Birla has held several key positions on various regulatory and professional Boards. He was a Director on the Central Board of the Reserve Bank of India. He was Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and also served on The Prime Minister of India’s Advisory Council on Trade and Industry. As the Chairman of Securities and Exchange Board of India (SEBI) Committee on Corporate Governance, he authored the First Report on Corporate Governance titled “Report of the Kumar Mangalam Birla Committee on Corporate Governance”. Mr. Birla also served as Chairman of SEBI’s committee on Insider Trading, which formulated Corporate Governance principles for Indian corporates. Mr. Birla is deeply engaged with Educational Institutions. He is the Chancellor of the Birla Institute of Technology & Science (BITS) with campuses in Pilani, Goa, Hyderabad and Dubai. He is also the Chairman of Indian Institute of Management, Ahmedabad. On the global arena, Mr. Birla serves on the London Business School’s Asia Pacific Advisory Board and is an Honorary Fellow of the London Business School. A firm practitioner of the trusteeship concept, Mr. Birla has institutionalised the concept of caring and giving at the Aditya Birla Group. With his mandate, the Group is involved in meaningful welfare driven activities that distinctively impact the quality of life of weaker sections of society.

**Rajashree Birla** is a Non-Executive Director and was appointed on the Board of Directors on March 15, 1996. She is an exemplar in the area of community initiatives and rural development. Mrs. Birla spearheads the Aditya Birla Centre for Community Initiatives and Rural Development, the Group’s apex body responsible for development projects. She oversees the Group’s social and welfare driven work across 40 companies. The footprint of the Centre’s work straddles over 5,000 villages, reaching out to 7.5 million people. Furthermore, Mrs. Birla is the Chairperson of the FICCI – Aditya Birla CSR Centre for Excellence, Habitat for Humanity (India) and is on the Board of the Asia Pacific Committee as well as Habitat’s Global Committee. She is the Chairperson of FICCI’s first ever Expert Committee on CSR. She serves on the Board of Director’s CSR Committee of State Bank of India. She is Member on the Advisory Board of “The Research Society for the Care, Treatment and Training of Children in Need of Special Care”, Mumbai, and of BAIF Development Research Foundation, Pune. As a patron of arts and culture, she heads the “Sangit Kala Kendra”, a Centre for performing arts, as its President. In recognition of the exemplary work done by Mrs. Birla, leading national and international organizations have showered accolades upon her. Among these the most outstanding ones have been that of the Government of India’s “Padma Bhushan” Award in 2011 in the area of “Social Work”, The Economic Times “Corporate Citizen of the Year Award” twice over, in 2002 and 2012, besides the “Global Golden Peacock Award for CSR” presented by Dr. Ola Ullsten, the Former Prime Minister of Sweden in Portugal in 2010. The Institute of Directors (IOD) Distinguished Fellowship Award, and FICCI FLO’s Lifetime Achievement Award, are among the many other distinctions received by her. Apart from your Company, Mrs. Birla is a Director on the Boards of Grasim Industries Limited and UltraTech Cement Limited. She is also on the Board of the Aditya Birla Group’s international companies spanning Thailand, Indonesia, Philippines and Egypt.

**Debnarayan Bhattacharya** is a Non-Executive Director and the Vice Chairman of our Company with effect from July 31, 2016. He has experience in managing business operations. He joined the Aditya Birla Group in 1998 and has held several key positions within the Aditya Birla Group. He was appointed as Managing Director of the Company in the year 2003. He is qualified in Bachelor of Engineering (Chemicals) and IIT from Kharagpur.

**Askanar Agarwala** is a Non-Executive Director of our Company and was appointed on the Board in 1998. He is a Trustee of several organisations including Sarla Basant Birla Param Bhakti Trust, Aditya Vikram Birla Memorial Trust, The Aditya Birla Foundation, Ladasaria Charitable & Welfare Trust and Hellen Keller Institute of the Deaf and Blind. He holds a degree in Commerce and Law of Calcutta University and is fellow member of the Institute of Chartered Accountants of India.

**Mr. Sudhir Mital** is a Non-Executive Director and Independent Director of our Company with effect from November 11, 2019.
CORPORATE GOVERNANCE REPORT

for a period of five years. He is a graduate from Allahabad University with a Master's degree in Indian History. He also holds additional Masters in Rural Development from the University of Birmingham. He has been a former member of the Indian Administrative Service from the Punjab Cadre, Secretary to Department of Fertilizers – Government of India, and Special Secretary to MCA. He was also a former acting Chairman of Competition Commission of India (CCI). Has rich professional experience in the fields of public policy and governance after nearly four decades of service. He has been a key functionary with regards to the Companies Bill, 2013.

Kailash Nath Bhandari is a Non-Executive and Independent Director on the Board of our Company. Prior to joining our Company, he has also served as the Chairman and Managing Director of the New India Assurance Company Limited. He holds a Bachelor's degree in Arts and Law.

Ram Charan is a Non-Executive and Independent Director of our Company. He holds the Bachelor of Engineering, MBA and Doctorate from Harvard Business School. He is a best-selling author having five books on Corporate Governance and Global Adviser to Senior business leaders and Board of Directors of various companies around the world. He has authored and co-authored books on corporate governance. Mr. Ram Charan has served on boards of several global Companies.

Dr. Vikas Balia is a Non-Executive Director and Independent Director of our Company with effect from July 19, 2019 for a period of five years, founder of Legalsphere Law firm is a rank holding Chartered Accountant and a lawyer and has a Master's degree in Mercantile Law with doctoral research (Ph.D.) on Securitization Laws. He has varied and extensive experience on commercial and constitutional law. He is an adjunct faculty in many institutions and lectures for CA, Law and MBA students.

Yazdi Dandiwala is a Non-Executive Director and Independent Director of our Company with effect from August 14, 2015 for a period of five years. He is qualified as a Bachelor in Science and holds a degree in Law. He is Solicitor by profession. He is currently a partner of Mulla & Mulla and Craigie Blunt & Caroe, Advocates & Solicitors. He has experience as a corporate Commercial Lawyer with experience in corporate and commercial transactions.

Alka Bharucha is a Non-Executive Director and Independent Director of our Company with effect from July 11, 2018 for a period of five years. She earned her B.A (Hons) in 1976 and LLB in 1979 from University of Bombay, Masters in Law from the University of Bombay and University of London and is a Solicitor, High Court Mumbai and Supreme Court of England and Wales. She began her career with Mulla & Mulla & Craigie Blunt & Caroe, and joined Amarchand & Mangaldas as partner in 1992. In 2008, she co-founded Bharucha & Partners which, on inception, was ranked by RSG Consulting, London among the top fifteen firms in India. Mrs. Bharucha has been ranked by Chambers Global, Legal 500 and Who’s Who Legal amongst India’s leading lawyers. She chairs the transactions practice at Bharucha & Partners. Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance.

Satish Pai was appointed as Whole-time Director on our Board since August 2013 and appointed as the Managing Director of our Company with effect from August 01, 2016 for a period of five years. He holds a Bachelor’s degree in Mechanical Engineering from the Indian Institute of Technology, Madras. He has experience in areas such as operations, recruitment and training.

Praveen Kumar Maheshwari is currently working as the Chief Executive Officer of the Copper Business of Hindalco Industries Limited, an industry leader in Aluminium & Copper, and the metals flagship company of the Aditya Birla Group. He is also the Chief Financial Officer of the Company and is a Whole-time Director on its Board. Mr. Maheshwari, a Chartered Accountant with an MBA from IIM – Ahmedabad, has over 37 years of work experience. Prior to joining Hindalco Industries Limited he worked with Bharat Forge Limited as Group CFO & Executive Director - Finance.

Board Meetings

The Company Secretary drafts the agenda for each meeting along with the explanatory notes. The Board meets at once a quarter to review the quarterly results and other items on the agenda. Various Board Committees meet as per the legal requirement or otherwise to transact the business delegated by Board of Directors.

The Companies Act 2013, read with the relevant rules made thereunder, facilitates the participation of Director in Board/Committee Meetings through video conferencing or other audio visual mode the option to participate in the meeting through video conferencing was made available for the Directors except in respect of such meetings/Items which are not permitted to be transacted through video conferencing.

The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of Board Meetings held during FY 2019-2020 are as outlined below:

<table>
<thead>
<tr>
<th>Date of Board Meeting</th>
<th>City</th>
<th>No. of Directors Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 16, 2019</td>
<td>Mumbai</td>
<td>08 out of 12</td>
</tr>
<tr>
<td>July 19, 2019</td>
<td>Mumbai</td>
<td>10 out of 12</td>
</tr>
<tr>
<td>August 09, 2019</td>
<td>Mumbai</td>
<td>10 out of 13</td>
</tr>
<tr>
<td>August 30, 2019</td>
<td>Mumbai</td>
<td>12 out of 13</td>
</tr>
<tr>
<td>November 11, 2019</td>
<td>Mumbai</td>
<td>09 out of 12</td>
</tr>
<tr>
<td>February 12, 2020</td>
<td>Mumbai</td>
<td>12 out of 12</td>
</tr>
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</table>
The details of attendance of each Director at the Board Meetings and Last Annual General Meeting (AGM) are as follows:

<table>
<thead>
<tr>
<th>Name of Director*</th>
<th>No. of Board Meetings Held</th>
<th>Attended Last AGM*</th>
</tr>
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<tbody>
<tr>
<td>Mr. Kumar Mangalam Birla</td>
<td>06</td>
<td>05 Yes</td>
</tr>
<tr>
<td>Mrs. Rajashree Birla</td>
<td>06</td>
<td>03 Yes</td>
</tr>
<tr>
<td>Mr. A. K. Agarwala</td>
<td>06</td>
<td>05 Yes</td>
</tr>
<tr>
<td>Mr. D. Bhattacharya</td>
<td>06</td>
<td>06 Yes</td>
</tr>
<tr>
<td>Mr. K. N. Bhandari</td>
<td>06</td>
<td>05 Yes</td>
</tr>
<tr>
<td>Mrs. Alka Bharucha</td>
<td>06</td>
<td>04 Yes</td>
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<tr>
<td>Mr. Ram Charan</td>
<td>06</td>
<td>02 No</td>
</tr>
<tr>
<td>Mr. Y. P. Dandiwala</td>
<td>06</td>
<td>06 Yes</td>
</tr>
<tr>
<td>Mr. Satish Pai</td>
<td>06</td>
<td>06 Yes</td>
</tr>
<tr>
<td>Mr. Praveen Kumar Maheshwari</td>
<td>06</td>
<td>06 Yes</td>
</tr>
<tr>
<td>Dr. Vikas Balia*</td>
<td>04</td>
<td>04 Yes</td>
</tr>
<tr>
<td>Mr. Sudhir Mital**</td>
<td>01</td>
<td>01 No</td>
</tr>
</tbody>
</table>

*AGM held on August 30, 2019.

*Dr. Vikas Balia was appointed on the Board of the Company at its meeting held on 19th July, 2019.

"Mr. Sudhir Mital was appointed on the Board of the Company at its meeting held on 11th November, 2019.

*Mr. M M Bhagat attended all 4 Board meetings along with the AGM held on August 30, 2019 during FY 2019-2020 before he ceased to be a director w.e.f. 30th August, 2019. Mr. Girish Dave attended 4 out of 5 Board meetings along with the AGM held on August 30, 2019 during FY 2019-2020 before he resigned w.e.f. 11th November, 2019.

Performance evaluation of Board

Pursuant to the provisions of Companies Act, 2013 and Listing Regulations, the Directors have carried annual performance evaluation of Board, Independent Directors, Non-Executive Directors, Executive Directors, Committee and Chairman of the Board.

The evaluation framework focused on various aspects of Board and Committees such as review, timely information from management etc. Also, performance of individual directors was divided into Executive, Non-Executive and Independent Director and based on the parameters such as contribution, attendance, decision making, action oriented, external knowledge etc.

The evaluation exercise has been carried out by the Board on the basis of Evaluation template for Board, Independent Director, Non-Executive Director, Executive Directors, Committees and Chairman of the Board. The template had various questions to be replied by the directors on aforesaid parameters. The Nomination and Remuneration Committee evaluated the performance on the basis of response received from the Directors. Similarly, the Independent Directors evaluated the performance of Non Independent Directors, Chairman and assessed the quality, quantity and flow of information between the Company, Management and the Board.

Outcome of the evaluation exercise:

1. The Board as a whole perform satisfactorily.
2. Independent Directors are rated high in understanding the Company’s business and expressing their view during the Board Meeting.
3. The Non-Executive Directors scored well in all aspects.
4. Directors rated Executive Directors as action oriented and good in implementing Board decisions.
5. Board members rated high to the Chairman leading the board effectively.
6. Board members has shown satisfaction in functioning of the Committees.

Independent Director’s Meeting

During the year under review, the Independent Directors met without the presence of Non Independent Directors and members of the management inter alia to discuss:

- Evaluate the performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluate the performance of the Chairman, taking into account the views of Executive and Non-Executive Directors.
- Evaluate the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole.

In the opinion of the Board, the Independent Directors fulfil all the conditions specified in the Listing Regulations as amended and are independent of the management.

Familiarisation Programme for Independent Directors

All new Independent Directors inducted on the Board are given a letter of appointment setting out their roles, functions, duties and responsibilities.

The Directors are familiarized with your Company's Business and its operations. Interactions are held between the Directors and Senior Management of your Company. Directors are familiarized with organizational set-up, functioning of various department, internal control processes and relevant information pertaining to your Company. They are periodically updated on industry scenario, changes in regulatory framework and the impact thereof on the working of your Company.
CORPORATE GOVERNANCE REPORT


COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted following Committees of Directors to deal with matters and monitor the activities falling within the respective terms of reference:-

AUDIT COMMITTEE

Constitution of Audit Committee and its functions

Your Company has an Audit Committee at the Board level which acts as a link between the Management, the Statutory and the Internal Auditors and the Board of Directors and oversees the financial reporting process. The Committee is governed by a Charter which is line with the regulatory requirements mandated by the Companies Act, 2013 and Listing Regulations.

The Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The followings are the members of Audit Committee:

Mr. K.N. Bhandari* – Chairman
Mr. Y.P. Dandiwala – Member
Dr. Vikas Balia# – Member

Mr. Anil Malik, Company Secretary, also acts as Secretary to the Committee.

* The Board appointed Mr. K N Bhandari as the Chairman of the Audit Committee on 30th August, 2019 as Mr. M. M. Bhagat, the then Chairman of the Audit Committee who ceased to be a director of the Company on the said date.

# The Board inducted Dr. Vikas Balia as a member of the Audit Committee on 30th August, 2019 in place of Mr. M. M. Bhagat.

During the year, the Audit Committee met 4 times i.e on May 16, 2019, August 09, 2019, November 11, 2019 and February 12, 2020 to deliberate on various matters. The attendance of each Audit Committee members are as follows:

<table>
<thead>
<tr>
<th>Name of the Director</th>
<th>No. of Meetings Held</th>
<th>No. of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. K. N. Bhandari</td>
<td>04</td>
<td>03</td>
</tr>
<tr>
<td>Mr. Y. P. Dandiwala</td>
<td>04</td>
<td>04</td>
</tr>
<tr>
<td>Dr. Vikas Balia</td>
<td>02</td>
<td>01</td>
</tr>
</tbody>
</table>

* Mr. M M Bhagat attended both Audit Committee meetings during FY 2019-2020 before he ceased to be a director w.e.f. 30th August, 2019.

1. The Chairman of the Audit Committee, Mr. K. N. Bhandari was present at the last Annual General Meeting of your Company held on August 30, 2019.

2. The Managing Director, Whole-time Director, CFO, the representative of the Statutory Auditor, Head of the Internal Audit are permanent invitees of the Audit Committee. The representative of the Cost Auditors are invited to the Audit Committee Meetings whenever matters relating to cost audit is considered.

3. Mr. Anil Malik, Company Secretary, acted as Secretary to the Committee.

Role of Audit Committee:

1. Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:

   (a) Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub section (3) of Section 134 of the Companies Act, 2013;

   (b) Changes, if any, in accounting policies and practices and reasons for the same;

   (c) Major accounting entries involving estimates based on the exercise of judgment by management;

   (d) Significant adjustments made in the financial statements arising out of audit findings;

   (e) Compliance with listing and other legal requirements relating to financial statements;

   (f) Disclosure of any related party transactions;

   (g) Modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(21) Reviewing the utilisation of the loans and / or advances from / investments by the Holding Company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments existing as on April 01, 2019.

B. The audit committee reviews the following information:

(1) Management Discussion and Analysis of financial condition and results of operations;

(2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

(4) Internal audit reports relating to internal control weaknesses;

(5) The appointment, removal and terms of remuneration of the Chief Internal Auditor; and

(6) Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

STAKEHOLDER’S RELATIONSHIP COMMITTEE

The Company has a “Stakeholder’s Relationship Committee” at the Board level to specifically look into various aspects of interests of shareholders, debenture holders and other security holders.

The role of the committee is to specifically look into various aspects of interest of shareholders, debenture holders and other security holders including:

1. Resolving the grievances of the security holder of the Company including complaints related to transfer/transmission of shares, non-receipt of Annual Reports non-receipts of declared dividends, issue of new/duplicate Certificate, General Meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The following are the members of the Committee:

Mr. K. N. Bhandari – Chairman
Mr. A. K. Agarwala – Member
Mr. Satish Pai* – Member
Mr. Anil Malik, Company Secretary, is the Compliance officer and acts as secretary to the Committee.

* The Board inducted Mr. Satish Pai as a member of the Stakeholders’ Relationship Committee on 30th August, 2019 in place of Mr. M. M. Bhagat who ceased to be a director on the Board of the Company as on the aforesaid date.
CORPORATE GOVERNANCE REPORT

During the year under review, the Committee met four times i.e on May 16, 2019, August 09, 2019, November 11, 2019 and February 12, 2020 to deliberate on various matters referred above. Details of attendance by Directors for the Committee meetings are as follows:

<table>
<thead>
<tr>
<th>Name of the Director*</th>
<th>No. of Meetings Held</th>
<th>No. of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. K. N. Bhandari</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr. A. K. Agarwala</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Mr. Satish Pai</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

* Mr. M M Bhagat attended both Stakeholders Relationship Committee meetings during FY 2019-2020 before he ceased to be a director w.e.f. 30th August, 2019.

The Company’s shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to certain officers, who are authorised to transfer up to 10,000 shares under one transfer deed.

**Number of shareholders complaints received so far/number not solved to the satisfaction of shareholders/number of pending complaints**

Details of complaints received, disposed off and pending during the year, number of shares transferred during the year, time taken for affecting these transfers and the number of share transfers pending are furnished in the “Shareholder Information” section of this Annual Report.

**NOMINATION AND REMUNERATION COMMITTEE**

The Board has formed a Nomination and Remuneration Committee consisting of the following members:

Mr. K. N. Bhandari* – Chairman
Mr. Kumar Mangalam Birla – Member
Mr. Y. P. Dandiwala – Member
Mr. Anil Malik, Company Secretary also acts as Secretary to the Committee

* The Board appointed Mr. K N Bhandari as the Chairman of the Nomination & Remuneration Committee on 30th August, 2019 as Mr. M. M. Bhagat, the then Chairman of the Nomination & Remuneration Committee who ceased to be a director of the Company on the said date.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

The Corporate Social Responsibility Committee comprises of the following members:

Mrs. Rajashree Birla – Chairman
Mr. Satish Pai – Member
Mr. A.K. Agarwala – Member
Mr. D. Bhattacharya – Member
Mr. Y. P. Dandiwala – Member
Dr. Mrs. Pragnya Ram: Group Executive President: Corporate Communications and CSR is a permanent invitee to the Committee.

Mr. Anil Malik, Company Secretary, also acts as Secretary to the Committee.
The terms of reference of Corporate Social Responsibility Committee broadly comprises of following:

(a) Formulate and Recommendation of CSR Policy to the Board indicating the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013.

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).

(c) Provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year under review, the Committee met once i.e. on April 24, 2019 to deliberate on various matters referred above. The details of attendance of the members is as below:

<table>
<thead>
<tr>
<th>Name of the Director</th>
<th>No. of Meetings Held</th>
<th>No. of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smt. Rajashree Birla</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr. Satish Pai</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr. D. Bhattacharya</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr. A. K. Agarwala</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mr. Y. P. Dandiwala</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

RISK MANAGEMENT COMMITTEE

The Company has a robust risk management framework to identify, monitor and minimize risk as also identify business responsibilities.

Your Company has comprehensive Risk Management Policy. The following are the Members of Risk Management Committee:

- Mr. A.K. Agarwala – Chairman
- Mr. Satish Pai – Member
- Mr. D. Bhattacharya – Member
- Mr. Praveen Kumar Maheshwari – Member
- Mr. Vikram Sondhi – Member
- Mr. Anil Mathew – Member

Mr. Anil Malik, Company Secretary, is Compliance Officer of the Risk Management and also acts as Secretary to the Committee.

Mr. J C Laddha superannuated w.e.f. 30th June, 2019 accordingly, the Board at its meeting held on 30th August, 2019 reconstituted the Risk Management Committee by removing Mr. Laddha.

During the year under review, the Committee met four times i.e on April 08, 2019, July 08, 2019, October 09, 2019 and January 08, 2020 to deliberate on various matters. Details of attendance by Directors for the Committee meetings are as follows:

<table>
<thead>
<tr>
<th>Name of the Director / member</th>
<th>No. of Meetings Held</th>
<th>No. of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. A. K. Agarwala</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr. Satish Pai</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr. D. Bhattacharya</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr. Praveen Kumar Maheshwari</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr. Anil Mathew</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mr. Vikram Sondhi</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Non-Executive Director’s Compensation and Disclosure

All fees/compensation including sitting fee paid to the Non-Executive Directors of the Company are fixed by Board of Directors within the limits approved by the shareholders. Details of sitting fees/compensation paid including stock options, if any, to them are given at the respective places in the report.

Remuneration of Directors and Others

Your Company has two Executive Directors, the Board of Directors decides the remuneration of the Managing Director and Whole-time Director on the recommendation of Nomination and Remuneration Committee.

The Company has a system where all the Directors or Senior Management of the Company are required to disclose all pecuniary relationship or transactions with the Company. There were no pecuniary relationships or transactions between your Company and Non-Executive Director during the year.

 Besides sitting fees ₹ 50,000/- per meeting of the Board, ₹ 25,000/- per meeting of the Audit Committee and ₹ 20,000/- per meeting for any other Committee thereof, the Company also pays Commission to the Non-Executive Directors.

For FY 2019-20, the Board has approved payment of ₹ 2.20 Crore (previous year ₹ 4.50 Crore) as Commission to the Non-Executive Directors of the Company pursuant to the authority given by the shareholders at the Annual General Meeting held on September 24, 2014 to pay Commission not exceeding 1% of the net profits of the Company to the Non-Executive Directors of the Company. The amount of commission payable is determined after assigning weightage to attendance and the type of meeting and other responsibilities.

Executive Directors are paid remuneration within the limits envisaged under Section 197, Schedule V of Companies Act, 2013. The said remuneration is approved by the Board as well as shareholders of the Company.
The details of Remuneration package, fees paid etc. to Directors for the year ended March 31, 2020:

(a) Non-Executive Directors:

<table>
<thead>
<tr>
<th>Name of Director</th>
<th>Sitting Fees Paid (\text{\textcurrency\textsubscript{L}} in Lakh)</th>
<th>Commission Payable (\text{\textcurrency\textsubscript{L}} in Lakh)</th>
<th>Total Payments Paid / Payable in 2019-20 (\text{\textcurrency\textsubscript{L}} in Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kumar Mangalam Birla\textsuperscript{1,2}</td>
<td>3.30</td>
<td>0.00</td>
<td>3.30</td>
</tr>
<tr>
<td>Mrs. Rajashree Birla \textsuperscript{2}</td>
<td>1.70</td>
<td>109.15</td>
<td>110.85</td>
</tr>
<tr>
<td>Mr. A. K. Agarwala</td>
<td>4.70</td>
<td>12.48</td>
<td>17.18</td>
</tr>
<tr>
<td>Mr. D. Bhattacharya\textsuperscript{6}</td>
<td>4.80</td>
<td>11.39</td>
<td>16.19</td>
</tr>
<tr>
<td>Mr. M. M. Bhagat\textsuperscript{7}</td>
<td>3.90</td>
<td>12.07</td>
<td>17.97</td>
</tr>
<tr>
<td>Mr. K. N. Bhandari</td>
<td>4.45</td>
<td>21.05</td>
<td>25.50</td>
</tr>
<tr>
<td>Mr. Ram Charan</td>
<td>1.00</td>
<td>3.87</td>
<td>4.87</td>
</tr>
<tr>
<td>Mrs. Alka Bharucha</td>
<td>2.00</td>
<td>7.91</td>
<td>9.91</td>
</tr>
<tr>
<td>Mr. Y. P. Dandiwala</td>
<td>4.40</td>
<td>22.04</td>
<td>26.44</td>
</tr>
<tr>
<td>Mr. Girish Dave\textsuperscript{8}</td>
<td>2.00</td>
<td>7.91</td>
<td>9.91</td>
</tr>
<tr>
<td>Dr. Vikas Balia</td>
<td>2.25</td>
<td>10.91</td>
<td>12.44</td>
</tr>
<tr>
<td>Mr. Sudhir Mital</td>
<td>0.50</td>
<td>1.94</td>
<td>2.44</td>
</tr>
</tbody>
</table>

Notes:
1. Mr. Kumar Mangalam Birla assumed the role of Executive Chairman of Aditya Birla Management Corporation Private Limited w.e.f. January 01, 2019. Accordingly he would not like to receive any commission from your Company w.e.f. January 01, 2019.
2. No Director is related to any other Director on the Board, except Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, who are son and mother respectively.
3. Your Company has a policy of not advancing any loan to its Directors except to Executive Director in the course of normal employment.
4. The Company has obtained shareholders’ approval for payment of commission to its Non-Executive Directors & Independent Directors, not exceeding 1% of Net Profit of the Company.
5. Stock Options were not granted to any Non-Executive Directors.
6. In addition to above, the Board approved pension of Mr. D. Bhattacharya of ₹ 0.335 Crore per month, hence he has been paid ₹ 4.02 Crore as pension and ₹ 0.02 Crore towards reimbursement of medical expenses for his past service as Managing Director.
7. Mr. M M Bhagat (DIN: 00006245) has ceased to be an Independent Director w.e.f August 30, 2019 due to old age.
8. Mr. Girish Dave (DIN: 00036455) has resigned as Independent Director w.e.f. November 11, 2019 due to age and personal reasons.

(b) Paid to Executive Directors

<table>
<thead>
<tr>
<th>Executive Director</th>
<th>Relationship with other Directors</th>
<th>All elements of remuneration package i.e., salary, benefits, bonuses, pension etc.</th>
<th>Fixed component &amp; performance linked incentives, along with performance criteria</th>
<th>Service contracts, notice period, severance fee</th>
<th>Stock option details, if any</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Satish Pai (Managing Director) See Note (a), (t)</td>
<td>None</td>
<td>226,938,753</td>
<td>92,167,000</td>
<td>See Note (b)</td>
<td>See Note (c)</td>
</tr>
<tr>
<td>Mr. Praveen Kumar Maheshwari (Whole-time Director) See Note (e), (f)</td>
<td>None</td>
<td>50,937,732</td>
<td>11,712,121</td>
<td>See Note (b)</td>
<td>See Note (d)</td>
</tr>
</tbody>
</table>

(a) Mr. Satish Pai Managing Director was paid a sum of ₹ 9,21,67,000 towards performance bonus linked to achievement of targets for FY 2018-19.

(b) The appointment is subject to termination by three months notice in writing on either side. No severance fee is payable to the Managing Director or Whole-Time Director.

(c) 782,609 Stock Options were granted on October 09, 2013 to Mr. Satish Pai. These Stock Options are vested 25% each year over a period of 4 years from the date of grant. In addition, he has been granted 956,522 Stock Appreciation Rights (SARs), of which Mr. Pai had exercised 478,261 SARs during the year FY 2018-19 and balance 478,261 SARs were exercised during FY 2019-20. Further, 1,985,292 and 264,704 Stock Options along...
with 466,805 and 62,241 Restricted Stock Units (RSUs) have been granted during FY 2018-19 and FY 2019-20 respectively. These Stock Options are vested 25% each year over a period of 4 years from the date of grant and RSUs are vested at the end of 3 years from date of grant. During FY 2019-20, Mr. Satish Pai has exercised 325,653 Stock Options.

(d) 55,630 Stock Options were granted on October 09, 2013 to Mr. Praveen Kumar Maheshwari. These Stock Options are vested 25% each year over a period of 4 years from the date of grant. Mr. Praveen Kumar Maheshwari was also granted 55,667 RSU on October 09, 2013 which are vested after expiry of 3 years from the date of grant. Further, 119,116 Stock Options and 28,008 RSUs has been granted during FY 2018-19. These Stock Options are vested 25% each year over a period of 4 years from the date of grant and RSUs are vested at the end of 3 years from date of grant. During FY 2019-20, Mr. Praveen Kumar Maheshwari has exercised 111,297 Stock Options.

(e) Mr. Praveen Kumar Maheshwari was paid a sum of ₹ 1,17,12,121 towards performance bonus linked to achievement of targets for FY 2018-19.

(f) Remuneration excludes amortisation of fair value of employee share based payments under Ind AS 102 and liabilities for defined benefit plans provided on actuarial basis.

All Directors have disclosed their shareholding in the Company. None of the Directors is holding any debentures or any other convertibles of the Company. Details of shareholding of Directors as on March 31, 2020 are as follows:

<table>
<thead>
<tr>
<th>NAME OF THE DIRECTORS</th>
<th>SHARES (₹ 1 paid up)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kumar Mangalam Birla*</td>
<td>901,635</td>
</tr>
<tr>
<td>Mrs. Rajashree Birla</td>
<td>612,470</td>
</tr>
<tr>
<td>Mr. A. K. Agarwala</td>
<td>116,148</td>
</tr>
<tr>
<td>Mr. D. Bhattacharya</td>
<td>1,571,937</td>
</tr>
<tr>
<td>Mr. K. N. Bhandari</td>
<td>5,071</td>
</tr>
<tr>
<td>Mr. Y. P. Dandiwal</td>
<td>206</td>
</tr>
<tr>
<td>Mr. Ram Charan</td>
<td>NIL</td>
</tr>
<tr>
<td>Mrs. Aika Bharucha</td>
<td>NIL</td>
</tr>
<tr>
<td>Mr. Satish Pai</td>
<td>355,653</td>
</tr>
<tr>
<td>Mr. Praveen Kumar Maheshwari</td>
<td>111,297</td>
</tr>
<tr>
<td>Dr. Vikas Balia</td>
<td>325</td>
</tr>
<tr>
<td>Mr. Sudhir Mital</td>
<td>NIL</td>
</tr>
</tbody>
</table>

*Additionally he holds 648,632 equity shares as Karta of Aditya Vikram Kumar Mangalam Birla HUF.

CODE OF CONDUCT
The Hindalco Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management of the Company. The Code is available on the Company's website viz: http://www.hindalco.com/investor-centre/code-of-conduct.

For the year under review, all Directors and Senior Management personnel of the Company have confirmed their adherence to the provisions of the said Code.

Declaration as required under Regulation 26(3) of the Listing Regulations.

We hereby confirm that all Directors and Senior Management have affirmed compliance with Code of Conduct for the financial year ended March 31, 2020.

Satish Pai
Date : June 12, 2020
Managing Director
Place: Mumbai
[DIN: 06646758]

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING
In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, your Company has adopted a ‘Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities’ of your Company (“the Code”). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and Employees) of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company.

SUBSIDIARY COMPANIES
The Company has adopted a policy for determining ‘material’ subsidiaries and the policy can be accessed on your Company’s website viz: http://www.hindalco.com/upload/pdf/hil-policy-on-material-subsidiary.pdf

The Company is in compliance with the requirements of Regulation 24 of Listing Regulations with respective Corporate Governance for its subsidiary companies.

DISCLOSURES
(A) Related Party Transaction’s
All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details of a related party transactions, entered in the normal course of business, before the Audit Committee from time to time. There was no material related party transaction, which are not in the normal course of the business, entered into by the Company during the year.
Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes to Accounts forming part of the Financial Statements. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company at http://www.hindalco.com/investor-centre/policies.

(B) Non Compliances/Strictures/penalties Imposed
No Non Compliance/strictures/penalties have been imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority on any matters related to capital markets during the last three years.

(C) Disclosure of Accounting Treatment
Your Company has followed all relevant Accounting Standards while preparing the Financial Statements.

(D) Risk Management
Risk evaluation and management is an ongoing process within the organisation. Your Company has comprehensive Risk Management Policy and it is periodically reviewed by the Board of Directors.

(E) Proceeds from public issues, right issues, preferential issues etc:
During the year under review, the Company has not raised any proceeds from public issues, rights issues or preferential issues.

(F) Remuneration of Directors
This is included separately in this Section.

(G) Management
Management Discussion and Analysis Report is prepared in accordance with the requirements laid out under Listing Regulations forms part of this Annual Report. No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have a potential conflict with interests of the Company.

(H) Shareholders
(i) The Company has provided the details of Directors seeking appointment/re-appointment in the Annual General Meeting Notice attached with this Annual Report.
(ii) Quarterly Presentations on the Company results are available on the website of the Company (www.hindalco.com) and the Aditya Birla Group website (www.adityabirla.com).

(I) Details of total fees paid to Statutory Auditor
During the FY 2019-20, the total fees charged for audit and non-audit services provided by Price Waterhouse & Co Chartered Accountants LLP (FRN 304026E/ E300009) and other member firms of PricewaterhouseCoopers global network of firms to the Company and its subsidiaries on a consolidated basis is as follows:

<table>
<thead>
<tr>
<th>Engagements</th>
<th>Price Waterhouse &amp; Co Chartered Accountants LLP*</th>
<th>Other PricewaterhouseCooper global network of firms*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Audit and Limited Review</td>
<td>3.22</td>
<td>48.44</td>
</tr>
<tr>
<td>Audit of special purpose financial statements of certain foreign subsidiaries</td>
<td>0.17</td>
<td>-</td>
</tr>
<tr>
<td>Tax compliance and advisory services</td>
<td>-</td>
<td>1.24</td>
</tr>
<tr>
<td>Other non-audit services - Certifications</td>
<td>-</td>
<td>1.29</td>
</tr>
<tr>
<td>Audit related services - Certifications</td>
<td>0.50</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3.89</td>
<td>50.97</td>
</tr>
</tbody>
</table>

*Excluding taxes and out of pocket Expenses

Whistle Blower Policy
The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which employees are free to report violations of applicable laws and regulations and Code of Conduct. The whistle blower may send the complaint to the independent reporting mechanism - Ethics Hotline or to the respective Values Standards Committee (VSC), depending on the level at which the violation is perceived to be happening, or the seniority of the individual/s involved. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Prevention of Sexual Harassment
Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability etc. All women associates (permanent, temporary, contractual and trainees) as well as any women
visiting the Company’s office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

The Details of complaints filed, disposed and pending during the FY 2019-20 is as given below:

<table>
<thead>
<tr>
<th>Number of complaints filed during the financial year</th>
<th>Number of complaints disposed of during the financial year</th>
<th>Number of complaints pending as at end of the financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

CEO/CFO Certification

The Managing Director and CFO have certified to the Board that:

A. They have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the Auditors and the Audit Committee:

1. that there were no significant changes in internal control over financial reporting during the year;

2. that there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and

3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

REPORT ON CORPORATE GOVERNANCE

Your Company has complied with Corporate Governance requirements specified under Regulations 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

COMPLIANCE

I. A certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations forms part of Annual Report.

II. A Certificate by Company Secretary in practice that none of the directors have been debarred or disqualified from being appointed for continuing as directors in the companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms part of Annual Report As below:-

CERTIFICATE

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

To

The Members
Hindalco Industries Limited
Ahura Centre, 1st Floor,
B Wing Mahakali Caves Road,
Mumbai – 400093

We have examined the relevant books, papers, minutes books, forms and returns filed, Notices received from the Directors during the financial year 2019-20, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives of Hindalco Industries Limited CIN : L27020MH1958PLC011238 (hereinafter called the ‘Company’) having its Registered office at Ahura Centre, 1st Floor, B Wing Mahakali Caves Road, Mumbai – 400093 for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 (LODR), as amended vide notification no. [SEBI/LAD/NRO/GO/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that None of the Directors stated below
who are on the Board of the Company as on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by Securities Exchange Board of India or The Ministry of Corporate Affairs or any other such statutory authority.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Director</th>
<th>DIN</th>
<th>Date of Appointment in the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kumar Mangalam Birla</td>
<td>00012813</td>
<td>16/11/1992</td>
</tr>
<tr>
<td>2</td>
<td>Rajashree Birla</td>
<td>00022995</td>
<td>15/03/1996</td>
</tr>
<tr>
<td>4</td>
<td>Kailash Nath Bhandari</td>
<td>00026078</td>
<td>30/01/2006</td>
</tr>
<tr>
<td>5</td>
<td>Debnarayan Bhattacharyya</td>
<td>00033553</td>
<td>01/10/2008</td>
</tr>
<tr>
<td>6</td>
<td>Aika Marezban Bharucha</td>
<td>00114067</td>
<td>11/07/2018</td>
</tr>
<tr>
<td>7</td>
<td>Praveen Kumar Maheshwari</td>
<td>00174361</td>
<td>28/05/2016</td>
</tr>
<tr>
<td>8</td>
<td>Yazdi Piroj Dandiwala</td>
<td>01055000</td>
<td>14/08/2015</td>
</tr>
<tr>
<td>9</td>
<td>Ram Charan</td>
<td>03464530</td>
<td>12/02/2011</td>
</tr>
<tr>
<td>10</td>
<td>Vikas Balia</td>
<td>00424524</td>
<td>19/07/2019</td>
</tr>
<tr>
<td>11</td>
<td>Satish Pai</td>
<td>06646758</td>
<td>13/08/2013</td>
</tr>
<tr>
<td>12</td>
<td>Sudhir Mital</td>
<td>08314675</td>
<td>11/11/2019</td>
</tr>
</tbody>
</table>

*Date of Appointment is the date which is reflected on MCA portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness which the management has conducted the affairs of the Company.

In the last three years special resolution as set out in the respective notices for AGM's were passed by shareholders. Whether any special resolution passed last year through postal ballot? No

Person who conducted the postal exercise: Not Applicable

Whether any special resolution is proposed to be conducted through postal ballot: No

MEANS OF COMMUNICATION

- **Quarterly Results:**
  - Newspaper: Cities of Publication
    - Business Standard (English): All editions
    - Navshakti (Marathi): Mumbai Edition only

- **Any website, where displayed:**
  - www.hindalco.com
  - www.adityabirla.com

- **Whether the Company Website displays:**
  - All official news releases: Yes
  - Presentation made to Institutional Investors/Analysts: Yes

General Shareholder Information

The same is provided in the 'Shareholder Information' section.

Status of compliance of Non-mandatory requirement

1. The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure (including vehicles for business purpose) and assistance are available to enable him discharge his responsibilities effectively.

2. During the period under review, there is no audit qualification in the financial statement.

3. The post of the Non-Executive Chairman of the Board is separate from that of the Managing Director/CEO.

4. The Company has engaged internal auditors for aluminium and copper business separately and their report is reviewed by the Audit Committee.
Auditor’s Certificate Regarding Compliance of Conditions of Corporate Governance

To the Members of Hindalco Industries Limited

We have examined the compliance of conditions of Corporate Governance by Hindalco Industries Limited (“the Company”), for the year ended March 31, 2020 as stipulated in Regulations 17, 17A, 18, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as “SEBI Listing Regulations, 2015”).

The compliance of conditions of Corporate Governance is the responsibility of the Company’s management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sumit Seth
Partner
Place : Mumbai
Date : 14th August, 2020
UDIN: 20105869AAAABC4542
SHAREHOLDER INFORMATION

1. Annual General Meeting
   - **Date and Time**: 10th September, 2020 at 03:00 p.m.
   - **Mode**: Video conferencing (VC) / Other audio visual means (OAVM)

2. Financial Year
   - **Financial Calendar**: April 1 to March 31
   - **Board Meetings for approval of**
     - Financial results for the quarter ending June 30, 2020: On or before 14th August, 2020
     - Financial results for the half year ending September 30, 2020: On or before 14th November, 2020
     - Financial results for the quarter ending December 31, 2020: On or before 14th February, 2021
     - Financial results for the year ending March 31, 2021 (Audited): On or before 30th May, 2021
     - Annual General Meeting for the year ended March 31, 2021: On or before 31st August, 2021

3. Date of Book Closure
   - **Date**: 05th September, 2020 to 10th September, 2020 (both days inclusive)

4. Dividend Payment Date
   - **Date**: On or after 10th September, 2020

5. Registered Office
   - **Address**: Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road Andheri (East), Mumbai – 400 093.
   - **Phone**: (91-22) 66917000
   - **Fax**: (91-22) 66917001
   - **E-Mail**: hilinvestors@adityabirla.com
   - **Website**: www.hindalco.com
   - **CIN No.**: L27020MH1958PLC011238

6. a. Listing Details:
   - **BSE Limited**
     - Phiroze Jeejeebhoy Towers
     - Dalal Street, Mumbai – 400 001.
   - **Luxembourg Stock Exchange**
     - 35 A Boulevard Joseph II
     - L-1840 Luxembourg
   - **National Stock Exchange of India Limited**
     - “Exchange Plaza”, Bandra Kurla Complex
     - Bandra (East), Mumbai – 400 051.

   **Note**: Listing fees has been paid to all the Stock Exchanges as per their Schedule.

   b **Overseas Depository for GDRs**
     - J. P. Morgan Chase Bank N.A.
     - P.O. Box 64504, St. Paul, MN 55164-0504
     - jpmorgan.adr@eq-us.com

   c **Domestic Custodian of GDRs**
     - Citibank N.A.
     - Custody Services
     - FIFC, 11th Floor, C-54 & 55, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098
     - Tel.: 91-22-61756895
     - Fax: 91-22-26532205
7. ISIN

- Fully paid up equity share: ISIN INE038A01020
- GDR: ISIN US4330641022
- CUSIP No. 433064300

8. Details of Debenture issued

<table>
<thead>
<tr>
<th>Interest Payment Date</th>
<th>Interest</th>
<th>Series</th>
<th>Date of allotment</th>
<th>Tenure</th>
<th>Record Date</th>
<th>ISIN No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>25th April</td>
<td>Annually</td>
<td>9.55% Series (2012) – I</td>
<td>25th April, 2012</td>
<td>10 Years</td>
<td>7 days prior to each interest and/or redemption payment</td>
<td>INE038807258</td>
</tr>
<tr>
<td>27th June</td>
<td>Annually</td>
<td>9.55% Series (2012) – II</td>
<td>27th June, 2012</td>
<td>10 Years</td>
<td>7 days prior to each interest and/or redemption payment</td>
<td>INE038A07266</td>
</tr>
<tr>
<td>2nd August</td>
<td>Annually</td>
<td>9.60% Series (2012)-III</td>
<td>2nd August, 2012</td>
<td>10 Years</td>
<td>7 days prior to each interest and/or redemption payment</td>
<td>INE038A07274</td>
</tr>
</tbody>
</table>

9. Stock Code

- Stock Code: Scrip Code
  - Bombay Stock Exchange: 500440
  - National Stock Exchange: HINDALCO

- Stock Exchange: Reuters Bloomberg
  - Bombay Stock Exchange: HALC.BO HNDL IN
  - National Stock Exchange: HALC.NS NHNDL IN
  - Luxembourg Stock Exchange (GDRs): HALCg.LU HDCD LI

- Name and Address of Debenture Trustee
  - IDBI Trusteeship Services Limited
  - Asian Building, Ground Floor, 17 R. Kamani Marg
  - Ballard Estate, Mumbai: 400 001

10. Stock Price Data

<table>
<thead>
<tr>
<th></th>
<th>Bombay Stock Exchange</th>
<th>National Stock Exchange</th>
<th>Luxembourg Stock Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
<td>Close</td>
</tr>
<tr>
<td></td>
<td>(In ₹)</td>
<td>(In Nos)</td>
<td>(In Nos)</td>
</tr>
<tr>
<td>March-20</td>
<td>167.8</td>
<td>85.05</td>
<td>95.65</td>
</tr>
<tr>
<td>February-20</td>
<td>198.25</td>
<td>154.05</td>
<td>156.35</td>
</tr>
<tr>
<td>January-20</td>
<td>221.2</td>
<td>188.25</td>
<td>189.2</td>
</tr>
<tr>
<td>December-19</td>
<td>219.4</td>
<td>193</td>
<td>216.1</td>
</tr>
<tr>
<td>November-19</td>
<td>207.3</td>
<td>187.05</td>
<td>200.25</td>
</tr>
<tr>
<td>October-19</td>
<td>195.35</td>
<td>180.05</td>
<td>188.05</td>
</tr>
<tr>
<td>September-19</td>
<td>208.15</td>
<td>176.75</td>
<td>191.3</td>
</tr>
<tr>
<td>August-19</td>
<td>191</td>
<td>171.25</td>
<td>184.5</td>
</tr>
<tr>
<td>July-19</td>
<td>210.5</td>
<td>184.75</td>
<td>190.7</td>
</tr>
<tr>
<td>June-19</td>
<td>210.25</td>
<td>188.15</td>
<td>207.1</td>
</tr>
<tr>
<td>May-19</td>
<td>207.6</td>
<td>187.25</td>
<td>196.6</td>
</tr>
<tr>
<td>April-19</td>
<td>218.95</td>
<td>196.15</td>
<td>205.85</td>
</tr>
</tbody>
</table>
SHAREHOLDER INFORMATION

11. Stock Performance

Stock Performance Vs Sensex

<table>
<thead>
<tr>
<th></th>
<th>Absolute Returns (in %)</th>
<th>Annualised Returns (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1YR</td>
<td>3YR</td>
</tr>
<tr>
<td>Hindalco</td>
<td>-53.43%</td>
<td>-50.94%</td>
</tr>
<tr>
<td>SENSEX</td>
<td>-23.80%</td>
<td>-0.51%</td>
</tr>
<tr>
<td>NIFTY</td>
<td>-26.03%</td>
<td>-6.28%</td>
</tr>
</tbody>
</table>

12. Stock Performance over the past few years

13. Registrar and Transfer Agents

The Company has In-House Investors Service Department registered with SEBI as Category II Share Transfer Agent vide Registration no INR 00003910.

**Investors Service Department**

Hindalco Industries Limited  
Ahura Centre, 1st floor,  
B Wing, Mahakali Caves Road  
Andheri (East), Mumbai-400 093.  
Tel: (91-22) 6691 7000, Fax: (91-22) 6691 7001  
E-mail: hilinvestors@adityabirla.com

14. Share Transfer System

Share transfer in physical form are registered and returned within a period of 15 days of receipt, provided the documents are clear in all respects. Officers of the Company have been authorized to approve transfers up to 10,000 Shares in physical form under one transfer deed and one Director of the Company has been authorized to approve the transfers exceeding 10,000 shares under one transfer deed. As per directives issued by SEBI, it is compulsory to trade in the Company’s equity shares in dematerialised form.
The total number of shares transferred in the physical form during the year was 3,21,229.

<table>
<thead>
<tr>
<th>Transfer Period in Days</th>
<th>Number of Transfers</th>
<th>%</th>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 0 To 10</td>
<td>157</td>
<td>91.28</td>
<td>2,42,075</td>
</tr>
<tr>
<td>11 To 15</td>
<td>13</td>
<td>7.56</td>
<td>20,034</td>
</tr>
<tr>
<td>16 To 20</td>
<td>2</td>
<td>1.16</td>
<td>59,120</td>
</tr>
<tr>
<td>Total</td>
<td>172</td>
<td>100.00</td>
<td>3,21,229</td>
</tr>
</tbody>
</table>

15. Investor Services
   a. Complaints received during the year:

<table>
<thead>
<tr>
<th>Nature of complaints</th>
<th>2019-20</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relating to Transfers, Transmissions, Dividend, Interest, Redemption, Demat – Remat, Rights Issue and Change of Address etc.</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>23</td>
</tr>
</tbody>
</table>

   b. Shares pending for transfer : Nil

16. Distribution of Shareholding:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Shares from</th>
<th>Shares to</th>
<th>Share Holders</th>
<th>% of Holders</th>
<th>No of Shares Held</th>
<th>% of Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>1000</td>
<td>3,11,197</td>
<td>93.73</td>
<td>4,51,45,300</td>
<td>2.00</td>
</tr>
<tr>
<td>2</td>
<td>1001</td>
<td>2000</td>
<td>9,412</td>
<td>2.84</td>
<td>1,38,15,628</td>
<td>0.61</td>
</tr>
<tr>
<td>3</td>
<td>2001</td>
<td>5000</td>
<td>6,474</td>
<td>1.95</td>
<td>2,05,82,314</td>
<td>0.92</td>
</tr>
<tr>
<td>4</td>
<td>5001</td>
<td>10000</td>
<td>2,367</td>
<td>0.71</td>
<td>1,68,92,152</td>
<td>0.75</td>
</tr>
<tr>
<td>5</td>
<td>10001</td>
<td>50000</td>
<td>1,697</td>
<td>0.51</td>
<td>3,42,27,242</td>
<td>1.52</td>
</tr>
<tr>
<td>6</td>
<td>50001</td>
<td>100000</td>
<td>226</td>
<td>0.07</td>
<td>1,60,87,852</td>
<td>0.73</td>
</tr>
<tr>
<td>7</td>
<td>100001 and above</td>
<td>641</td>
<td>0.19</td>
<td>2,09,94,72,199</td>
<td>93.47</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>3,32,014</td>
<td>100.00</td>
<td>2,24,62,22,687</td>
<td>100.00</td>
</tr>
</tbody>
</table>

17. Dematerialisation of Shares and Liquidity
   Around 98% of outstanding shares have been dematerialized. Trading in Hindalco Shares is permitted only in the dematerialized form 5th April, 1999 as per notification issued by Securities and Exchange Board of India.

18. Details on use of public funds obtained in 3 yrs: Not Applicable

19. Outstanding GDR/Warrants/Convertible Bonds:
   14,98,18,867 GDRs are outstanding as on 31st March, 2020. Each GDR represents one underlying equity share.

20. Commodity price risk or foreign exchange risk and hedging activities:
   Your Company hedges its foreign currency exposure in respect of its imports and exports as per its policies. Your Company has constituted a Risk Management Committee consisting of Directors/Executives of your Company. Your Company has commodity/foreign exchange hedging from time to time considering various factors as per the policy of the Company.
The details as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is as below:

1. Risk management policy of the listed entity with respect to commodities including through hedging.

The Company has a Risk Management Policy for Managing its Commodity Price Risk. The Policy captures the Objectives of Commodity Risk Management and the Treatment of Different Types of Exposures. The Policy lists down the Hedging Instruments that can be used, the Hedge Coverage ratios for different tenors and also mentions the Risk Management Structure at the Company.

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
   a. Total Exposure of the listed entity to commodities in INR in Millions : 5,32,619
   b. Exposure of the entity to various commodities is as below:

<table>
<thead>
<tr>
<th>Commodity Name</th>
<th>Nature of risk (Physical)</th>
<th>UOM</th>
<th>Exposure in INR towards the particular commodity (* In Million)</th>
<th>Exposure in Quantity terms towards the particular commodity</th>
<th>% of such exposure hedged through commodity derivatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>Sell</td>
<td>MT</td>
<td>1,89,170</td>
<td>12,94,256</td>
<td>12</td>
</tr>
<tr>
<td>Furnace Oil/LSHS/LDO</td>
<td>Buy</td>
<td>MT</td>
<td>5,012</td>
<td>1,44,855</td>
<td>69</td>
</tr>
<tr>
<td>Imported Coal</td>
<td>Buy</td>
<td>MT</td>
<td>6,846</td>
<td>10,06,710</td>
<td>20</td>
</tr>
<tr>
<td>Copper</td>
<td>Buy</td>
<td>MT</td>
<td>1,34,678</td>
<td>3,56,941</td>
<td>14</td>
</tr>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>MT</td>
<td>1,48,399</td>
<td>3,35,664</td>
<td>8</td>
</tr>
<tr>
<td>Silver (Oz)</td>
<td>Buy</td>
<td>T/Oz</td>
<td>2,956</td>
<td>25,54,119</td>
<td>100</td>
</tr>
<tr>
<td>Silver (Oz)</td>
<td>Sell</td>
<td>T/Oz</td>
<td>2,643</td>
<td>19,95,788</td>
<td>100</td>
</tr>
<tr>
<td>Gold (KG)</td>
<td>Buy</td>
<td>KG</td>
<td>19,868</td>
<td>6,057</td>
<td>100</td>
</tr>
<tr>
<td>Gold (KG)</td>
<td>Sell</td>
<td>KG</td>
<td>23,047</td>
<td>6,491</td>
<td>100</td>
</tr>
</tbody>
</table>

**Notes:**

i. Table above includes Exposure and % Hedges for FY 2019 - 20 only. Details of hedges done for future years has not been captured here.

ii. The table above includes commodities where a liquid derivative market exists.

iii. The Company has price risk on commodities where an active derivative market does not exist, like - Caustic Soda, Aluminum Fluoride, CP Coke, Alumina, Bauxite etc. These Commodities are not included in the table above.

iv. The Company maintains offset hedge book to eliminate the “pricing” timing mismatch for buy and sell position of Copper. Accordingly, exposure of Copper Buy position and Copper Sell position naturally hedged is 48 % and 60 %, respectively. In case of Copper Buy exposure, 11% is not hedged represents unpriced transactions as at March 31, 2020 as the same will be hedged as per Company’s policy.

v. The Company has strategic view based exposure for Copper, Gold and Silver. However, the same is not included above as it is a small portion of the overall Copper, Gold & Silver volumes.

vi. The Company procures part of its Alumina requirement from its 100% subsidiary, Utkal Alumina International Limited. The same is not included in the above table.

c. The Company faces commodity price risk on purchase of its raw material as well as on sales of its products. The Company categorizes its price risk in broadly 2 categories - Offset Hedge Exposure and Strategic View Based Exposure. Under the Offset Hedge Program, we use derivative products to eliminate the price risk arising due to timing mismatch whereas for Strategic View Based exposure, derivative instruments are used to manage the price risk for future tenor. Hedging is done for commodities where an active derivative market exists.
21. Location of Plant and Mines

### Aluminium & Power

<table>
<thead>
<tr>
<th>Plant/Division</th>
<th>Address</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renukoot Plant*</td>
<td>P.O. Renukoot-231217, Dist. Sonebhadra, Uttar Pradesh</td>
<td>Tel: (05446) 252077-9, Fax: (05446) 252107/426</td>
</tr>
<tr>
<td>Hirakud Power</td>
<td>Post Box No. 12, Dist. Sambalpur, Orissa</td>
<td>Tel: (0663) 2481307, Fax: (0663) 2481344</td>
</tr>
<tr>
<td>Renusagar Power Division</td>
<td>P.O. Renusagar, Dist. Sonebhadra, Uttar Pradesh</td>
<td>Tel: (05446) 277161-3/78592-5, Fax: (05446) 277164</td>
</tr>
<tr>
<td>Mahan Alumina</td>
<td>Hindalco Industries Limited, NH-75 E, Singrauli, Sidhi Rd, P.O. Bargawan, Pin: 486886, Dist. Singrauli MP</td>
<td>Tel: 0780-5281014</td>
</tr>
<tr>
<td>Hirakud Smelter</td>
<td>Hirakud, Dist. Sambalpur, Orissa</td>
<td>Tel: (0663) 2481307/1452, Fax: (0663) 2481356</td>
</tr>
<tr>
<td>Aditya Aluminium</td>
<td>Hindalco Industries Limited, Lapanga</td>
<td>Tel: 0663-2114424, Fax: 0663-2590434</td>
</tr>
</tbody>
</table>

### Chemicals

<table>
<thead>
<tr>
<th>Plant/Division</th>
<th>Address</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muri Alumina</td>
<td>Post Chotamuri-835 101, Dist. Ranchi, Jharkhand</td>
<td>Tel: (06522) 244253/334, Fax: (06522) 244342</td>
</tr>
<tr>
<td>Belagavi</td>
<td>Village Yamanapur, Belagavi 590 010, Karnataka</td>
<td>Tel: (0831) 2472716, Fax: (0831) 2472728</td>
</tr>
</tbody>
</table>

### Copper

<table>
<thead>
<tr>
<th>Plant/Division</th>
<th>Address</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birla Copper Division</td>
<td>P.O. Dahej, Lakhirgam, Dist. Bharuch – 392 130, Gujarat</td>
<td>Tel: (02641) 256004/06, 251009, Fax: (02641) 251002</td>
</tr>
</tbody>
</table>

### Sheet, Foil, Wheel, Packaging & Extrusions

<table>
<thead>
<tr>
<th>Plant/Division</th>
<th>Address</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belur Sheet</td>
<td>39, Grand Trunk Road, Belurmath 711 202, Dist. Howrah, West Bengal</td>
<td>Tel: (033) 2654 7210/12, Fax: (033) 2654 9982/5740</td>
</tr>
<tr>
<td>Mouda Unit</td>
<td>Village Dahali, Ramtek Road, Mouda, Nagpur – 441 104</td>
<td>Tel: (07115) 660777/786</td>
</tr>
<tr>
<td>Taloja Sheet</td>
<td>Plot 2, MIDC Industrial Area, Navi Mumbai - 410 208, Maharashtra</td>
<td>Tel: (022) 2741 2261 66292929, Fax: (022) 2741 2430/31</td>
</tr>
<tr>
<td>Hirakud FRP</td>
<td>Hindalco Industries Limited, Hirakud-768016, Dist. Sambalpur, Odisha</td>
<td>Tel: (0663) 6625000, Fax: (0663) 2481344</td>
</tr>
<tr>
<td>Alupuram Extrusions</td>
<td>Alupuram, P.B. No.30, Kalamassery – 683 104, Dist. Ernakulam, Kerala</td>
<td>Tel: (0484) 2532441-48, Fax: (0484) 2532468</td>
</tr>
</tbody>
</table>

### Mines

<table>
<thead>
<tr>
<th>Mine/Division</th>
<th>Address</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durgmanwadi Mines</td>
<td>At Post Radhanagri, Dist. Kolhapur, Maharashtra - 416 212</td>
<td>Tel: (02321) 2371008, Fax: (02321) 237478</td>
</tr>
<tr>
<td>Gare Palma Coal Mines (IV/4 &amp; IV/5)</td>
<td>Underground Coal Mines, Village &amp; Post Milapura, Tehsil Tamnar, Dist. Raigarh, Chhattisgarh: 496107</td>
<td>Tel: (0651) 2330944/48, Fax: (0651) 2330782</td>
</tr>
<tr>
<td>Lohardaga Mines</td>
<td>Dist. Lohardaga 835 302, Jharkhand</td>
<td>Tel/Fax: (06526) 224112</td>
</tr>
<tr>
<td>Dumri Coal Mine</td>
<td>103, Commerce Tower, Near Mahavir Tower, Ranchi-834001</td>
<td>Tel: (0651) 2330944/48, Fax: (0651) 2330782</td>
</tr>
<tr>
<td>Kathautia Coal Mine</td>
<td>Kathautia Open Cast Coal Mine (Koccm), Village Kathautia, P.O. Naudih 822123</td>
<td>Tel: (07778)274325</td>
</tr>
</tbody>
</table>

*Renukoot works has also manufacturing facilities of Chemicals, Sheets and Extrusions.
SHAREHOLDER INFORMATION

22. Investor Correspondence:
The Company Secretary
Hindalco Industries Limited
Ahura Centre, 1st Floor, B Wing
Mahakali Caves Road, Andheri (E)
Mumbai: 400093
Tel: (91-22) 66917000
Fax: (91-22) 66917001
Email: hilinvestors@adityabirla.com

23. Categories of Shareholding (as on 31st March):

<table>
<thead>
<tr>
<th>Category of Shareholders</th>
<th>Number of Shareholders</th>
<th>% of Shareholders</th>
<th>Number of Shares held</th>
<th>% Shareholding</th>
<th>Number of Shareholders</th>
<th>% of Shareholders</th>
<th>Number of Shares held</th>
<th>% Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoters*</td>
<td>17</td>
<td>0.01</td>
<td>77,83,39,497</td>
<td>34.65</td>
<td>20</td>
<td>0.01</td>
<td>77,83,39,497</td>
<td>34.66</td>
</tr>
<tr>
<td>Mutual Funds &amp; UTI</td>
<td>212</td>
<td>0.06</td>
<td>34,50,24,221</td>
<td>15.36</td>
<td>194</td>
<td>0.06</td>
<td>34,72,21,564</td>
<td>13.24</td>
</tr>
<tr>
<td>Banks/ Financial Institutions/Ins/Govt</td>
<td>104</td>
<td>0.03</td>
<td>25,43,26,126</td>
<td>11.32</td>
<td>94</td>
<td>0.03</td>
<td>20,49,26,345</td>
<td>9.13</td>
</tr>
<tr>
<td>FIIs</td>
<td>621</td>
<td>0.19</td>
<td>41,96,66,017</td>
<td>18.68</td>
<td>653</td>
<td>0.21</td>
<td>53,19,42,403</td>
<td>23.69</td>
</tr>
<tr>
<td>Corporates</td>
<td>2,125</td>
<td>0.64</td>
<td>12,46,75,484</td>
<td>5.55</td>
<td>2,312</td>
<td>0.76</td>
<td>11,20,94,472</td>
<td>4.99</td>
</tr>
<tr>
<td>Individuals/Shares In Transit/Trust</td>
<td>3,21,252</td>
<td>96.76</td>
<td>14,31,08,114</td>
<td>63.82</td>
<td>3,21,252</td>
<td>96.64</td>
<td>13,86,02,513</td>
<td>6.17</td>
</tr>
<tr>
<td>NRI/ OCBs/Foreign Nationals</td>
<td>7,681</td>
<td>2.31</td>
<td>3,99,20,998</td>
<td>1.78</td>
<td>6,953</td>
<td>2.28</td>
<td>3,97,27,356</td>
<td>1.77</td>
</tr>
<tr>
<td>GDRs</td>
<td>1</td>
<td>0.00</td>
<td>13,52,76,558</td>
<td>6.02</td>
<td>1</td>
<td>0.00</td>
<td>13,82,03,847</td>
<td>6.15</td>
</tr>
<tr>
<td>Shares held by Employee trust</td>
<td>1</td>
<td>0.00</td>
<td>58,85,672</td>
<td>0.26</td>
<td>1</td>
<td>0.00</td>
<td>44,72,248</td>
<td>0.20</td>
</tr>
<tr>
<td>Total</td>
<td>3,32,014</td>
<td>100.00</td>
<td>2,24,62,22,687</td>
<td>100.00</td>
<td>3,04,345</td>
<td>100.00</td>
<td>2,24,55,30,245</td>
<td>100.00</td>
</tr>
</tbody>
</table>

*Includes GDRs held by Promoter Group Companies.

24. Per share data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Earnings (₹ in Crore)</td>
<td>620</td>
<td>1,205</td>
<td>1,436</td>
<td>1,557</td>
<td>552</td>
</tr>
<tr>
<td>Cash Earnings* (₹ in Crore)</td>
<td>2,328</td>
<td>2,899</td>
<td>3,053</td>
<td>2,985</td>
<td>1,834</td>
</tr>
<tr>
<td>Basic EPS (₹)</td>
<td>2.79</td>
<td>5.41</td>
<td>6.45</td>
<td>7.56</td>
<td>(0.64)</td>
</tr>
<tr>
<td>Cash EPS (₹)**</td>
<td>10.47</td>
<td>13.01</td>
<td>13.70</td>
<td>14.49</td>
<td>8.95</td>
</tr>
<tr>
<td>Dividend per share (₹)</td>
<td>1.00*</td>
<td>1.20</td>
<td>1.20</td>
<td>1.10</td>
<td>1.00</td>
</tr>
<tr>
<td>Dividend pay out (%)</td>
<td>36.23</td>
<td>26.92</td>
<td>22.58</td>
<td>19.08</td>
<td>41.23</td>
</tr>
<tr>
<td>Book Value per share (₹)</td>
<td>202.54</td>
<td>216.24</td>
<td>220.28</td>
<td>211.00</td>
<td>204.16</td>
</tr>
<tr>
<td>Price to earning (x)</td>
<td>34.33</td>
<td>37.99</td>
<td>33.28</td>
<td>25.80</td>
<td>(137.42)</td>
</tr>
<tr>
<td>Price to cash earning (x)</td>
<td>9.14</td>
<td>15.80</td>
<td>15.66</td>
<td>13.46</td>
<td>9.83</td>
</tr>
<tr>
<td>Price to Book Value (x)*</td>
<td>0.47</td>
<td>0.95</td>
<td>0.97</td>
<td>0.92</td>
<td>0.43</td>
</tr>
</tbody>
</table>

*Net Earnings plus Depreciation and Amortisation
** Cash EPS – Cash Earnings divided by Weighted average numbers of equity shares used in computing basic EPS
25. LIST OF CREDIT RATINGS

CARE ratings have provided the following ratings for the financial year 2019-20

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Rating</th>
<th>Rating Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Bank facilities – Term Loan</td>
<td>CARE AA+; Stable (Double A Plus; Outlook: Stable)</td>
<td>Reaffirmed</td>
</tr>
<tr>
<td>Long Term Bank facilities- Fund based</td>
<td>CARE AA+; Stable (Double A Plus; Outlook: Stable)</td>
<td>Reaffirmed</td>
</tr>
<tr>
<td>Long Term Bank facilities- Non- Fund based</td>
<td>CAREAA+; Stable/CARE A1+</td>
<td>Reaffirmed</td>
</tr>
<tr>
<td></td>
<td>(Double A Plus; Outlook: Stable/ A One Plus)</td>
<td></td>
</tr>
<tr>
<td>Short term Bank Facilities- Term Loan</td>
<td>CAREA1+ (A One Plus)</td>
<td>Assigned</td>
</tr>
</tbody>
</table>

CRISIL have reaffirmed their ratings as “CRISIL AA/POSITIVE” (pronounced as CRISIL double A rating with positive outlook) rating on the Non-convertible debentures.

26. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

Shareholders who have not yet encashed their dividend warrants for the years 2012-2013 to 2018-2019 may approach the Company with a request letter quoting their Ledger Folio numbers / DP & Client ID along with dividend warrant(s) (if any) and a cancelled cheque leaf for revalidation/claim.

The details of Dividend paid by the Company and the respective due dates of transfer of unclaimed/un-encashed dividend to the designated fund of the Central Government is enumerated below:

<table>
<thead>
<tr>
<th>Date of Declaration</th>
<th>Financial Year of Dividend</th>
<th>Due date of transfer to the Government</th>
<th>Amount in ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 10, 2013</td>
<td>2012-2013</td>
<td>October 17, 2020</td>
<td>64,73,839.40</td>
</tr>
<tr>
<td>September 24, 2014</td>
<td>2013-2014</td>
<td>October 31, 2021</td>
<td>48,07,431.00</td>
</tr>
<tr>
<td>September 14, 2016</td>
<td>2015-2016</td>
<td>October 21, 2023</td>
<td>57,64,850.00</td>
</tr>
<tr>
<td>September 13, 2017</td>
<td>2016-2017</td>
<td>October 20, 2024</td>
<td>67,38,966.30</td>
</tr>
<tr>
<td>September 21, 2018</td>
<td>2017-2018</td>
<td>October 27, 2025</td>
<td>71,71,834.80</td>
</tr>
<tr>
<td>August 30, 2019</td>
<td>2018-2019</td>
<td>October 7, 2026</td>
<td>69,77,320.20</td>
</tr>
</tbody>
</table>

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment 2017, the Company is mandated to transfer all such shares to Investor Education and Protection Fund (IEPF) in respect of which dividend has not been claimed for seven consecutive years or more.

The unclaimed dividend amount for the financial year 2011-2012 and 3,76,418 Equity Shares related to unclaimed dividend for the financial year have been credited to Investor Education and Protection Fund (IEPF).

Shareholder can claim the unclaimed dividend amounts and shares credited to IEPF with a separate application made to the IEPF Authority, in Form IEPF-5, as prescribed under the Rules and are available at IEPF website i.e www.iepf.gov.in.

In case of any query contact –
Hindalco Industries Limited
Ahura Centre, 1st floor, B Wing
Mahakali Caves Road
Andheri (East), Mumbai- 400 093.
Tel: (91-22) 6691 7000
Fax: (91-22) 6691 7001
Email ID: hilinvestors@adityabirla.com

Green Initiative in Corporate Governance – Service of Documents in Electronic Form

As you are aware, Ministry of Corporate Affairs Government of India (MCA) vide its Circular(s) Nos. 17 and 18 dated 21st April, 2011 and 29th April, 2011 respectively has now allowed the companies to send Notices of General Meetings/other Notices, Audited Financial Statements, Director’s Report, Auditor’s Report etc. henceforth to their shareholders electronically as a part of its Green Initiative in Corporate Governance.
SHAREHOLDER INFORMATION

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report and other documents to its shareholders in electronic form at the e-mail address provided by them and made available to us by the Depository.

Further this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs (“MCA”) has vide its circular no 20/2020 dated 5 May 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2019-20 and notice of AGM is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

Unclaimed Shares in Physical Form

Regulation 39(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides the manner of dealing with shares issued in physical form pursuant to public issue or any other issue which remains unclaimed with the Company. In compliance with the provisions of Listing Regulations, the Company has sent three reminders to the shareholders whose share certificates are lying unclaimed.

Disclosures pursuant to Regulation 39(4) of Listing Regulation are as below:

- Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense account lying as at 1st April, 2019:
  - 1,054 Shareholders holding 5,36,621 Equity Shares of the Company
- Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year
  - 15 Shareholders holding 9,520 Equity Shares of the Company
- Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year
  - 14 Shareholders holding 8,840 Equity Shares of the Company and 1 case for 680 Equity Shares is under process.
- 302 Shareholders holding 1,04,148 Equity Shares were transferred to Investor Education and Protection Fund Account.
- Aggregate number of shareholders and outstanding shares lying in Unclaimed Suspense Account as at 31st March, 2020
  - 737 shareholders holding 4,22,953 Equity Shares.

6,140 Equity Shares in physical form for transmission/deletion.

6,140 Equity Shares in physical form includes above mentioned 680 Equity Shares.

INVESTOR SERVICES

(i) Equity Shares of the Company are under compulsory demat trading by all investors, with effect from April 05, 1999. Considering the advantages of scrip less trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience in future.

BSE has vide circular dated July 05, 2018 informed about amendment to Regulation 40 of Listing Regulations mandating the transfer of securities would be carried out in dematerialised form only. This restriction shall not be applicable to the request received for Deletion, Transmission or Transposition of physical shares.

(ii) Shareholders/Beneficial Owners are requested to quote their Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares & debentures of the Company should be addressed to the Investor Service Department of the Company at Ahura Centre, 1st Floor, ‘B’ Wing, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 and not to any other office(s) of the Company.

(iii) Shareholders holding shares in physical form are requested to notify to the Company, change in their address/ Pin Code number and Bank Account details promptly by written request under the signatures of sole / first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP.

(iv) To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account Details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form), as the case may be, for printing of the same on their dividend warrants.

(v) Non-resident members are requested to immediately notify:-

- change in their residential status on return to India for permanent settlement;
- particulars of their NRE Bank Account with a bank in India, if not furnished earlier.
(vi) In case of loss/misplacement of share certificate, investors should immediately lodge a FIR/Complaint with the police and inform to Company along with original or certified copy of FIR/acknowledged copy of the complaint.

(vii) Shareholders are requested to keep record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.

(viii) Shareholders(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificates in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

(ix) Shareholders are requested to give us their valuable suggestions for improvement of our investor services.

(x) Shareholders are requested to quote their E-mail Ids, Telephone/Fax numbers for prompt reply to their communication.
SOCIAL REPORT

“COVID-19 as you know, is having a devastating effect. The damage it has caused across nations is immeasurable. Our Government is working hard to patch the developmental pieces. The choice between saving lives and saving livelihoods is an excruciating one. Our Government has initiated a slew of reforms. Particularly notable is the sharp focus on the rural ecosystem and the MSMEs, besides the relief measures for the marginalised. That there is a long road ahead is undeniable.

As of now, getting out of this despair is our fervent hope. In these stressful times, we must face the reality, have the equanimity, fortitude, resilience and the faith, deep in our heart, that we shall overcome. As long as we all work together, we can, and we will overcome this pandemic. That this too shall pass.

I believe, in this hour of crisis, there is a compelling need to reach out, not in terms of physical proximity, but in terms of financial and other material support, to those afflicted directly or indirectly.

As many of you may be aware, we in the Aditya Birla Group have been reaching out to the COVID afflicted in many ways. Our initiatives include:

• Contribution of ₹ 400 crore to the PM-CARES Fund.
• Giving a grant of ₹ 50 crore to FICCI-Aditya Birla CSR Centre for Excellence for COVID relief measures.
• Activating a 100-bed COVID-19 facility at Seven Hills Hospital in Mumbai, in partnership with BMC.
• Earmarking more than 200 beds for Covid-19 Patients across locations including Ujjain, Pune, Hazaribagh, Rayagada, Solapur and Kharach.
• Allocating ₹ 50 crore towards supply of 1 million N95 masks, 280000 personal protective equipment (PPE), as well as ventilators.
• Undertaking a production of 1 million triple layer surgical masks and 1 lakh coverall garments with the support of the Textiles Ministry.
• Involving community and self-help groups in home production of lakhs of masks across several locations.
• Ongoing pro-active engagement with local communities and other stakeholders. This includes awareness camps across 200 locations and door to door campaign to reinforce prevention message as well as social distancing.
• In the hinterland of the country, we sanitized 1000 villages/urban slums and distributed 10,00,000 meals pan India.

We were also much encouraged by over 26,000 colleagues who contributed to help migrant workers recharge mobiles. This has been our humble effort towards which your company has made a significant contribution.

In the context of your Company’s CSR activities for FY19-20, we continue to align our work to UNSDGs.”

— Mrs. Rajashree Birla
Chairperson,
Aditya Birla Centre for Community Initiatives and Rural Development
Chairperson, Hindalco CSR Board
On Track With SDGs

Our community engagement in the five focus areas of education, healthcare, sustainable livelihood, infrastructure development and social reform, have been linked with the key nine SDGs. A number of SDGs flow into each other and hence have been clubbed. For instance, SDG-1, which is to end poverty, is an overarching goal that connects to all the other goals. Collectively our programmes aim at this very objective.

We are spread across 11 States, spanning 655 villages, reaching out to 11 lakh people. Over decades of unrelentingly battling with poverty, in collaboration with the District Authorities and leveraging Government Schemes. Collectively we have been able to lift the burden of poverty from the shoulders of nearly 75% of the people in the villages where we work.

The second SDG, is to end hunger, achieve food security, and improved nutrition and promote sustainable agriculture. Hunger issues are inextricably linked with poverty alleviation where water and agriculture play a major part. In the villages where we work, the malnutrition rate is minimal, in the range of approximately 4% to 5%. We have set for ourselves the target to lower it to 3% to 5% in the next 3-5 years, through our projects and taking Government Schemes forward as catalysts. We have had to review our targets, given the roadblocks that COVID-19 has presented.

Water positivity, within the fence and beyond, is one of the most important tasks before us. It includes water conservation, and water harvesting structures. Water is the lifeline for agriculture. The farm-based interventions, farmer training programmes, farmer producer groups, improved agriculture techniques, and animal husbandry management, take us close to the goal of sustainable agriculture.

Our farmer meetings aimed at knowledge sharing on farm related activities, boosting agriculture and horticulture and training programmes that profess the best-in-class agricultural practices and mechanism, have touched the lives of over 17,795 farmers.

Furthermore, farmers are taken to the Allahabad Agriculture University, Vegetable Seed Research Centre, Chunar, Krishi Vigyan Kendras and Demonstration farms in Uttar Pradesh, Madhya Pradesh, Chhattisgarh and Odisha to attune them to the latest cropping patterns, which they can apply to their field. Farmers with marginal holdings gain a lot of on ground knowledge through exposure to demonstration plots and agricultural technique with minimum inputs. More than 5,216 farmers were provided with agricultural tools, seeds, fertilizers and other crop protection agents.

We have developed 157 vermin compost tanks at Renukoot and Lohardaga. Here 18 farmers were persuaded to adopt organic farming methods.

To provide assured irrigation facility, we have constructed 9 check dams at Renukoot, Singrauli, Lohardaga and Samri. This enhances cash crop production over more than 1,547 acres of land.

This year 50,675 animals were immunized in veterinary camps, 7,650 were treated and 2,322 were artificially inseminated for improved milk yielding breed. This has raised the milk output and consequently there has been a surge in the income of the farmers. Aditya Birla Technology Park is successfully implementing the cattle breeding project (Godhan) at Muirpur, Uttar Pradesh. Over 266 cattle received artificial insemination, benefitting 260 farm families. We have also distributed fodder to 8,200 cattle at Belagavi in Karnataka.

Among one of our notable projects is the biodiversity park at Bagru Mine, fixated on community participation in the restoration of the mined out land and transferring it back to the community to develop means for livelihoods. The Bagru Mine is nearing closure. Here we have evolved a bio-village concept fixated on a self-sustaining ecosystem. Towards this we have created rainwater harvesting ponds. Alongside, fishponds and duck farming have been fostered. A fish breeding nursery supplies fingerlings to pisciculture ponds and others engaged in the business. Happily, the fingerlings nursery has risen to the status of a startup.

Alongside a biodiversity garden with unique plant species, a zodiac garden, a butterfly park, have been developed as a draw for people to experience nature. Going a step further a bamboo pavilion and cottages have been erected. The products created by the local artisans has also evoked considerable interest. It has become a tourist spot.

The third SDG pertains to ensuring, healthy lives and promoting well-being for all, in all age groups. Our engagement in catering to the basic healthcare needs of the people is indeed noteworthy. More than 9 lakh people across our units, have been the beneficiaries of our projects. This year we held 1,312 rural medical and awareness camps and 63 specialty camps. Over 88,671 people accessed our programmes. Health check-ups were conducted for ailments such as malaria, diarrhea, diabetes, hepatitis, arthritis, skin diseases, gynecological disorders and cardiac related issues. Our rural mobile medical vans services complemented these efforts.

One of the major concern issues is that even where we are working more than 70% of women, including adolescent girls are anemic. In the near future, our aim is to bring it down to less than 20%, with the support of the District Authorities.

Splendid patient care is accorded at our Company's 4 hospitals, 17 dispensaries/ clinics located at Renukoot and Renuasagar (Uttar Pradesh), Belagavi (Karnataka), Muri, Lohardaga and Kathaulia (Jharkhand), Samri and Garepalma (Chhattisgarh), Dahej (Gujarat) and Durgamwadi (Maharashtra). More than 1,12,197 patients were treated.
SOCIAL REPORT

We would also like to mention that our medical team at Kathautia, Dumri, Taloja, Singrauli, Garepalma, Lapanga and Hirakud have extended support to 11 Government/Charity run primary health centers, where 19,041 patients' recourse to these facilities.

At our 5 surgical camps at Renukoot, 46 patients underwent surgeries. In 12 eye camps, we treated 1,301 people, performed 327 intraocular operations, and distributed 527 spectacles. Besides this, at dental checkup camps at Renukoot, Renusagar, Garepalma, Lapanga and Hirakud 1,477 persons were treated.

Over 125 patients were diagnosed with Tuberculosis and registered under the directly observed treatment (DOT) programme at 10 designated microscopic centers (DMC). These are at the Aditya Birla Rural Technology Park, Muirpur-Renukoot, Renusagar, Kathautia and Lohardaga.

Under preventive measures, we organised 46 seasonal disease camps on Malaria and Diarrhoea at Renukoot, Singrauli, Belur, Kathautia and Belagavi, where 7,616 people attended the camps. Furthermore, we distributed mosquito nets to 1,550 people at Singrauli and Samri.

Health check-up camps are carried out regularly in schools at our units. These include Lohardaga and Kathautia (Jharkhand), Renukoot (Uttar Pradesh), Belur (West Bengal), Taloja, Durgamwadi (Maharashtra), Singrauli (Madhya Pradesh) and Belagavi (Karnataka). In these 101 school health checkup camps, our medical teams examined 9,290 students on their general health, dental hygiene and eye care. At the same time, they also conducted blood grouping.

At the medical camps conducted for the physically challenged at Singrauli and Hirakud 83 people attended, 13 patients were provided with calipers, which enabled them to get back on their feet.

We counselled 6,953 persons on health matters in 93 camps organized at Singrauli, Belgavi, Lohardaga, Dahej, Renusagar Hirakud, Samri, Dumri Durgamwadi, Taloja and Renukoot. We took this opportunity to sensitize them on STD/RTI and AIDS.

Besides supporting Government health programmes, we provided a digital x-ray machine to the Red Cross Society, Daltanganj, Jharkhand. In collaboration with the District Health Department, our 25 Family Welfare Centers served 50,054 women (antenatal, post-natal care, mass immunization, nutrition and escort services for institutional delivery). Over 1,77,224 children were immunized against polio, BCG, DPT and Hepatitis-B across the Company's Units.

Nearly 32,383 women participated in 578 camps on health awareness and nutrition. These camps were organised at Renukoot, Singrauli, Belgavi, Kathautia, Samri, Renusagar, Dumri, Garepalma, Durgamwadi, Lapanga, Lohardaga. These form part of our preventive health care initiative.

Our focused programme on adolescent health care covered, 2,004 girls at 12 Government Girls High Schools and 9 Kasturba Gandhi Balika Vidyalayas.

We also addressed issues related to menstrual health and hygiene of school going adolescent girls. We have installed 5 sanitary napkin vending machines with incinerators at Dahej (Gujarat), Belur (WB) and Taloja (Maharashtra).

Our intensive motivational drive towards responsible family raising led to 176 villagers opting for planned parenthood across Hirakud, Renukoot and Dumri.

At blood donation camps in Belur, Kathautia, Samri, Belagavi, Mouda, Lapanga and Hirakud, we collected 1,038 units of blood, which were donated to the blood bank. Several of our company colleagues were among the donors.

SDG-4 Education

Inclusive and equitable quality education, and in the larger context, promoting lifelong learning opportunities, for all is the pivot of the fourth SDG.

Our proactive initiatives to foster education in the villages have yielded encouraging results. We would like to particularly mention our enrolment campaign titled “Shala Praveshotsav”. This was popularized at Dahej (Gujarat) and the response has been truly encouraging. We had 100% enrollment at schools and the dropout rate was also stemmed. Under its aegis we distributed education material including notebooks, school bags and uniforms to 27,037 children. We leveraged the Sarva Shiksha Abhiyan. We align very well with the Kasturba Gandhi Balika Vidyalayas at Renukoot, Lohardaga, Muri Dumri, Hirakud and Samri encouraging 2,004 girls to pursue education. Through the talent search programmes, we recognized 402 bright students, giving them scholarships.

To address the issue of school dropouts, we organised 74 'meet the parent' counselling events at Renukoot, Lohardaga, Singrauli, Dumri, Lapanga and Kathautia. Through this process we managed to bring 176 students back to 49 schools.

Digitization “Smart Classes” at 7 Schools in tandem with the Government of Karnataka at Belagavi, benefitting 22,100 children was yet another exciting project that energized school children. A similar initiative at Taloja, Maharashtra enthuses 500 children at Nitalemanpada School.

To enhance the learning outcome of students, we have set up 4 science laboratories at Hirakud and Garepalma Govt. high schools.

A remarkable feature of our programme is specialised coaching classes across 17 of our plants and 13 career counselling programmes at Renukoot, Renusagar, Singrauli, Garepalma, Durgamwadi, Lohardaga and Lapanga. They cover 2,187 students.
Over 659 students from the hinterland attended the 6-month computer literacy programmes conducted by us.

At the 29 Balwadis, 1,200 pre-schoolers have taken their first steps towards informal learning processes. These centres are running at Renukoot, Lohardaga, Samri and Singrauli.

Over 6,428 children are enrolled at 162 Anganwadis that we support at Renukoot, Singrauli, Samri, Belur, Lohardaga, Renusagar, Kathautia, Durgamwadi, Dumri, Garepalma, Talaja, Lapanga and Belagavi. under the Integrated Child Development Scheme (ICDS) at Renukoot, Samri, Singrauli, Lohardaga, Kathautia, Dumri and Durgamwadi, we have reached out to 537 malnourished children and helped nurture them.

At our 11 Aditya Birla Public Schools (Renukoot, Renusagar, Dahej, Lapanga and Muri), we have enrolled 5,206 rural students. Additionally, 1,663 students have been enlisted in our 8 Aditya Birla Vidya Mandirs at Renukoot, Lohardaga, Kathautia and Samri. We are also supporting 938 students of 6 other schools at Renukoot, Lohardaga, Dumri and Durgamwadi.

To meet the shortage of teachers in the rural areas in government primary and secondary schools in Dumri, Garepalma, Lohardaga, Belagavi, Samri and Dahej, we have sponsored 65 teachers.

Facilities such as school transport and other support systems were availed of by 1,320 students.

At Garepalma and Alupuram, we arranged student trips from 5 rural schools to Kelo Dam and our Alupuram factory. Our objective was to expose students to the water reservoir and the manufacturing business.

We run 5 Adult education centers at Renusagar, Singrauli and Belur for 139 adult learners.

We constructed 4 school buildings at Garepalma and repaired 12 school buildings at Singrauli, Renukoot, Renusagar, Lohardaga and Belagavi. We have also supplied furniture to 21 schools at Lapanga, Hirakud, Renusagar, Singrauli and Dumri. School toilets at Lohardaga, Garepalma and Mahan, drinking water facilities in 9 schools at Lohardaga, Singrauli, Alupuram and Kathautia were a felt need, which we fulfilled.

In partnership with the Government of Jharkhand and the ISKCON Food Relief Foundation, we have set up a centralised kitchen at Chiri Village, in the Kuru Block of the Lohardaga District. It caters to 40,000 students spanning 250 schools. This mid-day meal centralised kitchen inclusive of state-of-the-art cooking equipment and a customized vehicle, besides quarters for the staff and other amenities, is all set to go onstream. The project cost is ₹ 5.07 crore.

SDG-5

Women empowerment and gender equality is the focus of the fifth SDG. We already have 1,863 self-help groups comprising of 23,225 women. We are working to broaden the base and provide the last mile linkage. Over the last couple of years, we have been very successful in getting three of our units, have the uniforms tailored by our rural poor trained in tailoring and self-help groups. In the footsteps of Utkal and Renukoot, our Dahej plant has taken this forward. Over time we will have all of the other Hindalco plants to follow suit. This entails that uniforms at the plant and schools will be tailored by SHGs/women driven tailoring units.

The Kosa Silk Rejuvenation project in the context of the Garepalma Mines is a uniquely conceptualized sustainable livelihood project linking 800 weavers. This is a long term project aiming at developing Kosa silk textiles and providing marketing linkages.

The sixth, seventh and eighth SDGs, can be bunched together, as they are interlinked. These SDGs call for, water and sanitation, reliable, sustainable and modern energy and decent work and economic growth.

Towards providing accessibility to safe drinking water, up until now we have installed 22 Reverse Osmosis (RO) plants. This year we have installed 6 RO plants, 63 hand pumps, repaired 446 hand pumps and dug wells. Pipelines and bore wells provide access to water, benefiting more than 90,000 villagers.

Additionally, 7,157 individual toilets and sanitation facilities were set-up and facilitated at various locations. Consequently, 90% of the villages where we operate have been declared ODF.

Imparting vocational training, skills training, coupled with our farm / non-farm based programmes and SHGs, meet with these goals. Collectively we have touched the lives of nearly 28,000 people.

At the Aditya Birla Rural Technology Park, more than 32 training batches were organised. The thrust continues to be on computer literacy, training in cosmetology, repair of electric and electronic goods, handicrafts, bag making, soft toys, tailoring and knitting, ways to enhance agricultural output, and veterinary science. This year 1,790 aspirants were trained. On capacity building, 20 additional programmes were held, registering 993 participants. Our veterinary services were availed by 466 farmers.

At Renusagar a one-month light motor driving programme was conducted for 15 youngsters. They received their driving licenses and secured employment as drivers.

SDG-9: Build resilient infrastructure

To provide better infrastructure, we are engaged in the connecting/repairing of roads, community halls and assets,
rest places, installation of solar lights, construction of water tanks and installation of piped water supply. At Garepalma, a 2-lakh liter overhead tank has been built. Clean drinking water is piped after filtration to 223 families. Our infrastructure projects touch the lives of 1,71,544 people.

**Finally, on Model Villages**

Of the 655 villages that we work in, we have zeroed in on 108 villages for a transformative process that raises them to become model villages. So far in a 7-year timeframe, we have been able to morph 50 villages into model villages. Impact assessment studies by external agencies have certified commend the transformation of these villages.

**Our CSR spends**

For FY 19 – 20, our CSR spend was ₹63.65 crores (Hindalco ₹38.53 crores, Subsidiaries ₹10.12 crores and ₹15 crores to the Odisha Chief Minister’s Relief Fund). In addition, we mobilized over ₹85.77 crore through Government Schemes. Our Board of Directors, our Management and our colleagues across the Company are committed to inclusive growth.
INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

To the Members of Hindalco Industries Limited

Report on the audit of the standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Hindalco Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive loss (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters How our audit addressed the key audit matters

A. Measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress consisting of precious metals

Refer Notes 1D (j) and 11 (d) to the standalone financial statements.

Of the Company’s ₹ 11,225 crores of inventory on hand at March 31, 2020, ₹ 3,255 crores of inventory comprised of coal, bauxite, copper concentrate and work in progress consisting of precious metals.

This was determined a key audit matter, as the measurement of these inventory quantities lying at the Company’s yards, smelters and refineries is complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos, etc.

The Company uses internal and external experts, as applicable to perform volumetric surveys and assessments, basis which the quantity for these inventories is estimated.

Our audit procedures relating to the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress of precious metals included the following:

- Understanding and evaluating the design and operating effectiveness of controls over physical count and measurement of such inventory;
- Evaluation of competency and capabilities of management’s experts;
- Physically observing inventory measurement and count procedures carried out by management using experts, to ensure its appropriateness and completeness and performing roll back procedures; and
- Obtaining and inspecting, inventory measurement and physical count results for such inventories, including assessing and evaluating the results of analysis performed by management in respect of differences between book and physical quantities.

Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress inventories consisting of precious metals.
INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>How our audit addressed the key audit matters</th>
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<tbody>
<tr>
<td>B.  Provisions recognised and contingencies disclosed with regard to certain legal and tax matters</td>
<td>Refer Notes 1D (i), 10, 21, 25 and 45 to the standalone financial statements.</td>
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<td></td>
<td>As at March 31, 2020, the Company has paid deposits under protest, recognised provisions and disclosed contingent liabilities towards various legal and tax matters. There are number of legal, direct and indirect tax cases against the Company, including environmental, mining, local and state levies, income tax holidays, availing of input tax credits, etc. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources for recognising provision and making related disclosures in the standalone financial statements. Our audit procedures relating to provisions recognised and contingencies disclosed regarding certain legal and tax matters included the following:</td>
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<td>• Understanding and evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters;</td>
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<td>• Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss, and testing related to provisions and disclosures in the standalone financial statements;</td>
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<td>• Reviewing orders and other communication from regulatory authorities and management responses thereto;</td>
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<td>• Reviewing management expert's legal advice and opinion as applicable, obtained by the Company's management for evaluating certain legal matters and evaluating competence and capabilities of the experts; and</td>
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<td>• Using auditor's experts for assistance in evaluating certain significant and complex direct and indirect tax matters.</td>
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<td>Based on the above procedures performed, we did not identify any material exceptions in the provision recognised and contingent liabilities disclosed in the standalone financial statements with regard to such legal and tax matters.</td>
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<td>C.  Accounting of derivatives and hedging transactions</td>
<td>Refer Notes 1B (Q), 9, 20, and 50 to the standalone financial statements.</td>
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<td>Company's financial performance is significantly impacted by fluctuations in prices of aluminium, copper, gold, silver, furnace oil, coal, foreign exchange rates and interest rates. The Company takes a structured approach to the identification, quantification and hedging of such risks by using various derivatives (e.g. forwards, swaps, futures, options and embedded derivatives) in commodities and/or foreign currencies. These hedges are designated as either cash flow or fair value hedges, and in certain cases remain non-designated. Our audit procedures related to accounting of derivative and hedging transactions included the following:</td>
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<td>• Understanding and evaluating the design and operating effectiveness of controls over accounting of derivative and hedging transactions;</td>
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<td>• Testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including:</td>
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<td>√ Understanding the risk management objectives and strategies for different types of hedging programs;</td>
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<td>√ Evaluating that the hedging relationship consists only of eligible hedging instruments and hedged items;</td>
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<td>√ Using auditor's expert for assistance in verifying hedge effectiveness requirements of Ind AS 109, Financial Instruments, including the economic relationship between the hedged item and the hedging instrument.</td>
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Key audit matters

As at March 31, 2020, the carrying value of the Company's derivatives included derivative assets amounting to ₹ 957 crores and derivative liabilities of ₹ 630 crores.

Derivative and hedge accounting is considered a key audit matter, because of its significance to the financial statements, the volume, nature and types of hedging relationships, including complexity involved in the application of hedge accounting principles in accordance with Ind AS 109, Financial Instruments.

How our audit addressed the key audit matters

• Evaluating competence and capabilities of the auditor's experts;
• Testing appropriateness of hedge accounting to qualified hedge relationships, i.e., cash flow and fair value hedges; and
• Testing related presentation and disclosures in the standalone financial statements.

Based on the above procedures performed, we did not identify any material exceptions in the amounts, presentation and disclosures made in the standalone financial statements relating to accounting of derivatives and hedging transactions.

D. Assessment of indication of impairment and the recoverable amount (RA) of certain Cash-Generating Units (CGUs) within the Aluminium segment

Refer Notes 1D (a), 2 and 4 to the standalone financial statements.

External sources of information such as changes in the market and economic environment, including the carrying amount of the net assets of the Company being more than its market capitalisation as at March 31, 2020, decline in the Aluminium metal prices, and impact of Covid-19 pandemic required Company's management to assess whether there is any indication of impairment and therefore make a formal estimate of RA of certain CGUs within Aluminium segment having carrying value of net assets of ₹ 30,290 crores as at March 31, 2020.

Based on such indications, impairment testing was performed by the management in accordance with the requirements of Ind AS 36, Impairment of Assets. Management has calculated the RA of the CGUs using value-in-use method.

This is a key audit matter, because of the significant carrying value of these CGUs and the estimation uncertainty in assumptions used for calculating the RA of the CGUs such as future metal prices, foreign exchange rates, discount rate, input costs and rate of growth over the estimation period.

Our audit procedures related to assessment of indication of impairment and RA of these CGUs included the following:

• Understanding and evaluating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount and RA of the CGUs;
• Using auditor's experts for testing appropriateness of the method and model used for determining RA, mathematical accuracy of the models' calculations and evaluating reasonableness of key assumptions used in future cash flow projections such as future metal prices, foreign exchange rates, discount rate, input costs, rate of growth over the estimation period;
• Evaluating competence and capabilities of the auditor's experts;
• Performing sensitivity analysis over key assumptions to corroborate that RA of these CGUs is within a reasonable range, including the impact of Covid-19 pandemic assessment; and
• Testing related presentation and disclosures in the standalone financial statements.

Based on the above procedures performed, we did not note any exceptions in the management's assessment of the indication of impairment and conclusion that the RA of these CGUs within the Aluminium segment were not lower than their respective carrying amounts as at March 31, 2020.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is
INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements...
represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

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

**Report on other legal and regulatory requirements**

13. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”; and

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 21 and 45 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 20 and 21 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except amount of ₹ * crore;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

* Represents figures below the rounding convention used in this report.

15. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Sumit Seth
Partner
Membership Number: 105869
UDIN: 20105869AAAAAF8901
Mumbai
June 12, 2020
i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 2 on Property Plant and Equipment and Note 3 on Investment Property to the standalone financial statements, are held in the name of the Company, except for the following:

i. in respect of freehold land (Birla Copper and Muri Unit) having gross block of ₹ * crore and building (Birla Copper Units, Delhi and Mumbai) having gross block of ₹ 11 crores, the title deeds of which are held in the name of erstwhile companies, which have subsequently been amalgamated with the Company.

ii. in respect of freehold land (Mahan and Kathotia Units) having gross block of ₹ 31 crores, the title deeds of which are yet to be transferred in the name of the Company; and

iii. in respect of building (Birla Copper Units, Mumbai and Delhi) having gross block of ₹ 18 crores appearing in the fixed asset register, the title deeds for such assets amounting to ₹ 15 crores are presently not readily available with the Company.

* Represents figures below the rounding off convention used in this report.

ii. The physical verification of inventory, excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees’ state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 31 to the standalone financial statements regarding management’s assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income tax, which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of customs, duty of excise, value added tax, and goods and services tax as at March 31, 2020, which have not been deposited on account of a dispute, are as follows:
Name of the Statute | Nature of Dues | ₹ in crores* | Period to which the amount relates | Forum where the disputes are pending
--- | --- | --- | --- | ---
| | | * | 2005-2006, 2009-2011 | Tribunal
| | | 1,060 | 2001-2008 | Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
| | Customs Duty | * | 2004-2005 | Commissioner (Appeal)
| | | 329 | 2004-2018 | Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

* Represents figures below the rounding off convention used in this Report.

viii. According to the records of the Company examined by us, and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks, financial institutions or dues to debenture holders as at the balance sheet date. The Company does not have any loans or borrowings from Government as at the balance sheet date, therefore the provisions of Clause 3(viii) of the Order, to the extent, are not applicable to the Company.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys during the year by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act. Also refer paragraph 15 of our main audit report.

xii. As the Company is not a Nidhi Company, and the Nidhi Rules, 2014, are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them, to which Section 192 of the Act applies. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sumit Seth
Partner
Membership Number: 105869
UDIN: 20105869AAAAAF8901

Mumbai
June 12, 2020
ANNEXURE B TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 14(f) of the Independent Auditor’s Report of even date to the members of Hindalco Industries Limited on the standalone financial statements for the year ended March 31, 2020

Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Hindalco Industries Limited (“the Company”) as of March 31, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

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

Inherent limitations of internal financial controls with reference to financial statements

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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sumit Seth
Partner
Membership Number: 105869
UDIN: 20105869AAAAAF8901
Mumbai
June 12, 2020
## STANDALONE BALANCE SHEET

as at March 31, 2020

### ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
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<td><strong>ASSETS</strong></td>
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<td><strong>Non-Current Assets</strong></td>
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<td>Property, Plant and Equipment (including ROU Assets)</td>
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<td>Investment in Subsidiaries</td>
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<td>Investment in Associates and Joint Ventures</td>
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<td>Other Financial Assets</td>
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<td>Non-Current Tax Assets (Net)</td>
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<td>Trade Receivables</td>
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<td>Cash and Cash Equivalents</td>
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<td>Bank Balances other than Cash and Cash Equivalents</td>
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<td>Loans</td>
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<td>Current Tax Assets (Net)</td>
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<td>Other Current Assets</td>
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<td><strong>Total Current Assets</strong></td>
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<td>23,443</td>
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<td><strong>Non-Current Assets or Disposal Groups Classified as Held For Sale</strong></td>
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<td><strong>Total Assets</strong></td>
<td>80,058</td>
<td>81,502</td>
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### EQUITY AND LIABILITIES

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<th>Note</th>
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<td><strong>EQUITY AND LIABILITIES</strong></td>
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<td>Equity Share Capital</td>
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<td><strong>Total Equity</strong></td>
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<td><strong>Liabilities</strong></td>
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<td><strong>Non-Current Liabilities</strong></td>
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<td>Financial Liabilities</td>
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<td>Borrowings</td>
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<td>Trade Payables</td>
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<td>(I) Outstanding dues of micro enterprises and small enterprises:</td>
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<td>(II) Outstanding dues of creditors other than micro enterprises and small enterprises</td>
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<td>Other Financial Liabilities</td>
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<td>Provisions</td>
<td>22</td>
<td>1,975</td>
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<tr>
<td>Deferred Tax Liabilities (Net)</td>
<td>23</td>
<td>629</td>
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<td>Other Non-Current Liabilities</td>
<td>19,150</td>
<td>18,937</td>
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<td><strong>Total Non-Current Liabilities</strong></td>
<td>19,150</td>
<td>18,937</td>
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Current Liabilities

<table>
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<tr>
<th>Note</th>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
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<tr>
<td>18B</td>
<td>Borrowings</td>
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<td>51</td>
<td>Lease Liabilities</td>
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<tr>
<td>19</td>
<td>Trade Payables</td>
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<tr>
<td>(I)</td>
<td>Outstanding dues of micro enterprises and small enterprises</td>
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<td>14</td>
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<td>(II)</td>
<td>Outstanding dues of creditors other than micro enterprises and small enterprises</td>
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<td>20B</td>
<td>Other Financial Liabilities</td>
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<td>21</td>
<td>Provisions</td>
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<td>710</td>
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<td>23</td>
<td>Other Current Liabilities</td>
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<td>685</td>
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<td>24</td>
<td>Contract Liabilities</td>
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<td>25</td>
<td>Current Tax Liabilities (Net)</td>
<td>997</td>
<td>972</td>
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</tbody>
</table>

Total Liabilities: 15,414 14,007

Liabilities Associated with Disposal Group Classified as Held For Sale

| 15B  | Liabilities Associated with Disposal Group Classified as Held For Sale      | -          | *          |

Total Liabilities: 34,564 32,944

Total Current Liabilities: 80,058 81,502

*Amount below rounding off convention.

Basis of Preparation and Significant Accounting Policies

The accompanying Notes are an integral part of the Standalone Financial Statements. This is the Standalone Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
For and on behalf of the Board of Hindalco Industries Limited

Sumit Seth
Partner
Membership Number: 105869

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

Anil Malik
Company Secretary

Satish Pai
Managing Director

K N Bhandari
Director
DIN-0026078

Place : Mumbai
Dated : June 12, 2020
## STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
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</tr>
<tr>
<td>Revenue from Operations</td>
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<td>40,242</td>
<td>45,749</td>
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<tr>
<td>Other Income</td>
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<td>739</td>
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<td><strong>Total Income</strong></td>
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<td>46,689</td>
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<tr>
<td><strong>EXPENSES</strong></td>
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<tr>
<td>Cost of Materials Consumed</td>
<td>28</td>
<td>22,623</td>
<td>27,247</td>
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<tr>
<td>Trade Purchases</td>
<td>29</td>
<td>256</td>
<td>235</td>
</tr>
<tr>
<td>Changes in inventories</td>
<td>30</td>
<td>*</td>
<td>(382)</td>
</tr>
<tr>
<td>of Finished Goods, Work-in-Progress and Stock-in-Trade</td>
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<td></td>
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</tr>
<tr>
<td>Employee Benefits Expense</td>
<td>31</td>
<td>1,922</td>
<td>1,982</td>
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<tr>
<td>Power and Fuel</td>
<td>32</td>
<td>6,994</td>
<td>6,937</td>
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<tr>
<td>Finance Costs</td>
<td>33</td>
<td>1,679</td>
<td>1,683</td>
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<tr>
<td>Depreciation and Amortization</td>
<td>34</td>
<td>1,708</td>
<td>1,693</td>
</tr>
<tr>
<td>Impairment Loss on Financial Assets (Net)</td>
<td>35</td>
<td>38</td>
<td>24</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>36</td>
<td>4,745</td>
<td>5,460</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>39,965</td>
<td>44,879</td>
</tr>
<tr>
<td>Profit/(Loss) before Exceptional Items and Tax</td>
<td></td>
<td>1,016</td>
<td>1,810</td>
</tr>
<tr>
<td>Exceptional Income/ (Expenses) (Net)</td>
<td>37</td>
<td>(64)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit/(Loss) before Tax</strong></td>
<td></td>
<td>952</td>
<td>1,810</td>
</tr>
<tr>
<td><strong>Tax Expenses</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Current Tax</td>
<td></td>
<td>137</td>
<td>375</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td></td>
<td>195</td>
<td>230</td>
</tr>
<tr>
<td><strong>Profit/(Loss) for the year</strong></td>
<td></td>
<td>620</td>
<td>1,205</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income/ (Loss)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to Statement of Profit and Loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of Defined Benefit Obligation</td>
<td></td>
<td>(152)</td>
<td>(4)</td>
</tr>
<tr>
<td>Change in Fair Value of Equity Instruments Designated as FVTOCI</td>
<td></td>
<td>(2,582)</td>
<td>(1,736)</td>
</tr>
<tr>
<td>Income Tax effect</td>
<td>38</td>
<td>28</td>
<td>2</td>
</tr>
<tr>
<td>Items that will be reclassified to Statement of Profit and Loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Fair Value of Debt Instruments Designated as FVTOCI</td>
<td></td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Effective Portion of Cash Flow Hedges (including cost of Hedging)</td>
<td></td>
<td>(1,073)</td>
<td>84</td>
</tr>
<tr>
<td>Income Tax effect</td>
<td></td>
<td>374</td>
<td>(30)</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income/ (Loss) for the year</strong></td>
<td></td>
<td>(3,400)</td>
<td>(1,681)</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income/ (Loss) for the year</strong></td>
<td></td>
<td>(2,780)</td>
<td>(476)</td>
</tr>
<tr>
<td>Note</td>
<td>Year ended</td>
<td>31/03/2020</td>
<td>31/03/2019</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>40</td>
<td>Earnings Per Share</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Basic (₹)</td>
<td>2.79</td>
<td>5.41</td>
</tr>
<tr>
<td></td>
<td>Diluted (₹)</td>
<td>2.79</td>
<td>5.41</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

**Basis of Preparation and Significant Accounting Policies**

The accompanying Notes are an integral part of the Standalone Financial Statements. This is the Standalone Statement of Profit and Loss referred in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

- **Sumit Seth**
  - Partner
  - Membership Number: 105869

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

- **Anil Malik**
  - Company Secretary

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

- **Satish Pai**
  - Managing Director
  - DIN-06646758

- **K N Bhandari**
  - Director
  - DIN-00026078

Place : Mumbai
Dated : June 12, 2020
## Standalone Statement of Changes in Equity

### for the year ended March 31, 2020

**A  Equity Share Capital**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at April 01, 2018</td>
<td>6</td>
<td>223</td>
</tr>
<tr>
<td>Changes in Equity Share Capital (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at March 31, 2019</td>
<td></td>
<td>222</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

### B  Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at April 01, 2018</td>
<td>*</td>
<td>145 102 7,715 8,206 1,050 22</td>
</tr>
<tr>
<td>Profits/(Loss) for the year</td>
<td></td>
<td>1,205</td>
</tr>
<tr>
<td>Other Comprehensive Income/(Loss) for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income/(Loss) for the year</td>
<td></td>
<td>1,202</td>
</tr>
<tr>
<td>Hedging (Gain)/Loss and cost of hedging transferred to non-financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares Acquired by the Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends Paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Distribution Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at March 31, 2019</td>
<td>17</td>
<td>145 102 7,715 8,206 1,050 22</td>
</tr>
</tbody>
</table>

**Note:**
- **(1)**: Effective part of gain/loss on Debt Instruments FVTOCI and Hedging Reserve.
- **(2)**: Effective part of gain/loss on Equity Instruments FVTOCI.
- **(3)**: Effective part of cash flow hedge reserve.
- **(4)**: Employee Share-based transactions.
- **(5)**: Employee Share-based transactions.
- **(6)**: Dividends Paid.
- **(7)**: Dividend Distribution Tax.
- **(8)**: Balance as at March 31, 2019.
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note</th>
<th>Share Application Money Pending Allotment</th>
<th>Capital Reserve</th>
<th>Capital Redemption Reserve</th>
<th>Business Reconstruction Reserve</th>
<th>Securities Premium</th>
<th>Debenture Redemption Reserve</th>
<th>Employee Stock Options</th>
<th>Treasury Shares held by ESOP Trust</th>
<th>General Reserve</th>
<th>Retained Earnings</th>
<th>Gain/(Loss) on Equity Instruments FVTOCI</th>
<th>Gain/(Loss) on Debt Instruments FVTOCI</th>
<th>Effective portion of Cash Flow Hedge</th>
<th>Cost of Hedging Reserve</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Transition Impact - Leases</td>
<td></td>
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</tr>
<tr>
<td>Profit/(Loss) for the year</td>
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<td>620</td>
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<tr>
<td>Other Comprehensive Income/(Loss)</td>
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<tr>
<td>for the year</td>
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<td>Total Comprehensive Income/(Loss)</td>
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<td>for the year</td>
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</tr>
<tr>
<td>Hedging (Gain)/Loss and cost of hedging transferred to non-financial assets</td>
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<tr>
<td>Transfer to Debenture Redemption Reserve</td>
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</tr>
<tr>
<td>Shares Acquired by the Trust</td>
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<td></td>
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<tr>
<td>Transactions with owners in their capacity as owners</td>
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<td></td>
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</tr>
<tr>
<td>Share Application Money Received during the year</td>
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</tr>
<tr>
<td>Employees Shares-Related Transactions</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Employees Share Options Expenses</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Employees Share Options Lapsed/Forfeited</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Dividends Paid</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Distribution Tax (-a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at March 31, 2020</td>
<td>17</td>
<td></td>
<td>145</td>
<td>102</td>
<td>7,715</td>
<td>8,217</td>
<td>1,200</td>
<td>45</td>
<td>21,354</td>
<td>4,834</td>
<td>1,786</td>
<td>7</td>
<td>(102)</td>
<td>119</td>
<td>45,272</td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

a) Dividend Distribution Tax is net of credit ₹ 6 Crore (year ended 31/03/2019 ₹ 16 Crore) being dividend distribution tax paid by subsidiaries.

Basis of Preparation and Significant Accounting Policies

The accompanying Notes are an integral part of the Standalone Financial Statements. This is the Standalone Statement of Changes in Equity referred in our report of even date.

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

Sumit Seth
Partner
Membership Number: 105869

For and on behalf of the Board of Hindalco Industries Limited

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

Satish Pai
Managing Director
DIN-06646758

Anil Malik
Company Secretary
DIN-00026078

K N Bhandari
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
### A. CASH FLOW FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 31/03/2020</th>
<th>Year ended 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(Loss) before Tax</td>
<td>952</td>
<td>1,810</td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Costs</td>
<td>33</td>
<td>1,679</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>34</td>
<td>1,708</td>
</tr>
<tr>
<td>Equity Settled Share-based Payments</td>
<td>31</td>
<td>27</td>
</tr>
<tr>
<td>Impairment Loss on Financial Assets (Net)</td>
<td>35</td>
<td>38</td>
</tr>
<tr>
<td>Impairment Loss on Non-Financial Assets (Net)</td>
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<td></td>
</tr>
<tr>
<td>Liabilities no longer required Written-back</td>
<td>27</td>
<td>(83)</td>
</tr>
<tr>
<td>Unrealised Foreign Exchange (Gain)/Loss (Net)</td>
<td>57</td>
<td>(18)</td>
</tr>
<tr>
<td>Unrealised (Gain)/Loss on Derivative Transactions (Net)</td>
<td>(116)</td>
<td>(127)</td>
</tr>
<tr>
<td>Fair Value (Gain) on modification of Borrowings</td>
<td>(19)</td>
<td>(50)</td>
</tr>
<tr>
<td>(Gain)/Loss on Assets Held for Sale (Net)</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>(Gain)/Loss on Property, Plant and Equipment and Intangible Assets Sold/Discarded (Net)</td>
<td>27</td>
<td>16</td>
</tr>
<tr>
<td>Interest Income</td>
<td>27</td>
<td>(176)</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>27</td>
<td>(56)</td>
</tr>
<tr>
<td>Gain on withdrawal of Financial Guarantee</td>
<td>27</td>
<td>-</td>
</tr>
<tr>
<td>Exceptional Income</td>
<td>37</td>
<td>(25)</td>
</tr>
<tr>
<td>Realised Gain/(Loss) of Cash Flow Hedges in OCI (Net)</td>
<td>(412)</td>
<td>(71)</td>
</tr>
<tr>
<td>(Gain)/Loss on Investments measured at FVTPL (Net)</td>
<td>27</td>
<td>(345)</td>
</tr>
<tr>
<td>Operating Profit before Working Capital Changes</td>
<td>3,248</td>
<td>4,072</td>
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</tbody>
</table>

### Changes in Working Capital:

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31/03/2020</th>
<th>Year ended 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase)/ Decrease in Inventories (Net)</td>
<td>(615)</td>
<td>(262)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Trade Receivables</td>
<td>1</td>
<td>(415)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Financial Assets</td>
<td>3</td>
<td>68</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Non-Financial Assets</td>
<td>69</td>
<td>(169)</td>
</tr>
<tr>
<td>Increase/ (Decrease) in Trade Payables</td>
<td>(1,044)</td>
<td>(94)</td>
</tr>
<tr>
<td>Increase/ (Decrease) in Financial Liabilities</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>Increase/ (Decrease) in Non-Financial Liabilities (including Contract Liabilities)</td>
<td>(216)</td>
<td>75</td>
</tr>
<tr>
<td>Cash Generated from Operation before Tax</td>
<td>1,471</td>
<td>3,279</td>
</tr>
<tr>
<td>Refund/(Payment) of Income Tax (Net)</td>
<td>1,315</td>
<td>(108)</td>
</tr>
<tr>
<td>Net Cash Generated/(Used) - Operating Activities</td>
<td>2,786</td>
<td>3,171</td>
</tr>
</tbody>
</table>

### B. CASH FLOW FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31/03/2020</th>
<th>Year ended 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments to acquire Property,Plant and Equipment and Intangible Assets</td>
<td>(1,395)</td>
<td>(1,263)</td>
</tr>
<tr>
<td>Proceeds from disposal of Property,Plant and Equipment and Intangible Assets</td>
<td>30</td>
<td>18</td>
</tr>
<tr>
<td>Sale proceeds from Slump Sale</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Investment in Subsidiaries</td>
<td>(15)</td>
<td>(181)</td>
</tr>
<tr>
<td>Investment in Associates and Joint Ventures</td>
<td>(2)</td>
<td>(6)</td>
</tr>
<tr>
<td>Investment in Equity Shares at FVTOCI</td>
<td>(653)</td>
<td>-</td>
</tr>
<tr>
<td>(Purchase)/ Sale of Other Investments (Net)</td>
<td>(697)</td>
<td>267</td>
</tr>
<tr>
<td>Loans and Deposits given</td>
<td>(80)</td>
<td>(272)</td>
</tr>
<tr>
<td>Receipt of Loans and Deposits given</td>
<td>347</td>
<td>355</td>
</tr>
<tr>
<td>Interest Received</td>
<td>140</td>
<td>166</td>
</tr>
<tr>
<td>Dividend Received</td>
<td>56</td>
<td>105</td>
</tr>
<tr>
<td>Net Cash Generated/(Used) - Investing Activities</td>
<td>(2,244)</td>
<td>(811)</td>
</tr>
<tr>
<td>C. CASH FLOW FROM FINANCING ACTIVITIES</td>
<td>Note</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>Proceeds from issue of Equity Shares (Including Share Application Money)</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Treasury Shares acquired by ESOP Trust</td>
<td>(7)</td>
<td>(124)</td>
</tr>
<tr>
<td>Pre-Payment of Long-Term Borrowings</td>
<td>-</td>
<td>(1,575)</td>
</tr>
<tr>
<td>Principal Payments of Leases Liabilities (March 31, 2019 - Principal payments of finance lease obligations)</td>
<td>(63)</td>
<td>(5)</td>
</tr>
<tr>
<td>Proceeds from/ (Repayment of) Current Borrowings (Net) (Refer Note 44)</td>
<td>3,121</td>
<td>947</td>
</tr>
<tr>
<td>Finance Cost Paid</td>
<td>(1,562)</td>
<td>(1,598)</td>
</tr>
<tr>
<td>Dividend Paid (including Dividend Distribution Tax)</td>
<td>(314)</td>
<td>(307)</td>
</tr>
<tr>
<td><strong>Net Cash Generated/ (Used) - Financing Activities</strong></td>
<td><strong>1,181</strong></td>
<td><strong>(2,657)</strong></td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease) in Cash and Cash Equivalents</strong></td>
<td><strong>1,723</strong></td>
<td><strong>(297)</strong></td>
</tr>
<tr>
<td>Add: Opening Cash and Cash Equivalents</td>
<td>1,508</td>
<td>1,805</td>
</tr>
<tr>
<td>Closing Cash and Cash Equivalents</td>
<td>3,231</td>
<td>1,508</td>
</tr>
</tbody>
</table>

**Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet:**

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents as per Balance Sheet</td>
<td>3,265</td>
<td>1,515</td>
</tr>
<tr>
<td>Less: Fair Value adjustments in Liquid Investments</td>
<td>(6)</td>
<td>(2)</td>
</tr>
<tr>
<td>Less: Temporary Overdraft Balance in Current Accounts</td>
<td>(28)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents as per Cash Flow Statement</strong></td>
<td><strong>3,231</strong></td>
<td><strong>1,508</strong></td>
</tr>
</tbody>
</table>

**Supplemental Information**

Non-Cash Transactions from Investing and Financing Activities:

- Acquisition of Right of Use Assets: 79
- -

**Basis of Preparation and Significant Accounting Policies**

1

The accompanying Notes are an integral part of the Standalone Financial Statements. This is the Standalone Statement of Cash Flows referred in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Sumit Seth
Partner
Membership Number: 105869

For and on behalf of the Board of Hindalco Industries Limited
Praveen Kumar Maheshwari
Whole-time Director & Chief Financial Officer
DIN-00174361
Anil Malik
Company Secretary

Satish Pai
Managing Director
DIN-06646758

K N Bhandari
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Company Overview

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

The Company has two main streams of business, Aluminium and Copper. In Aluminium, the Company caters to the entire value chain starting from mining of bauxite and coal through production of value added products for various applications.

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

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

The equity shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange & Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

1A. Basis of preparation

The separate financial statements of Hindalco Industries Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (including subsequent amendments) and other accounting principles generally accepted in India.

The financial statements for the year ended March 31, 2020 have been approved for issue by the Board of Directors of the Company in their meeting held on June 12, 2020.

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

- Financial instruments - measured at fair value;
- Assets held for sale - measured at fair value less cost to sell;
- Plan assets under defined benefit plans - measured at fair value; and
- Employee share-based payments.

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

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.
Adoption of new Accounting Standards
The Company has applied the following Accounting Standards and its amendments for the first time for annual reporting period commencing April 1, 2019:

(a) Ind AS 116 - Leases:
On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, ‘Leases’ as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing, Ind AS 17, Leases with effect from April 1, 2019 (the effective date). Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. However, there was no major change in accounting from a Lessor perspective.

(b) Other amendments:
On March 30, 2019, MCA has issued Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

i) Ind AS 12 - Income taxes
Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. It also provides specific guidance in several areas where previously Ind AS 12 was silent. There are no new disclosure requirements in appendix. However, the Company is required to add explanations on judgements and estimates made in uncertain tax treatment. New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

ii) Ind AS 19 - Employment Benefits
This amendment requires an entity to:
1) Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
2) Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and separately recognise any changes in the asset ceiling through other comprehensive income. This amendment is applicable for any future plan amendments, curtailments, or settlements of the Company on or after April 1, 2019.

iii) Ind AS 23 - Borrowing Costs
Amendment to Ind AS 23 - Borrowing Costs clarifies that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

iv) Ind AS 28 - Investments in Associates and Joint Ventures
Amendment to Ind AS 28 - Investments in Associates and Joint Ventures clarifies that long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture and to which the equity method is not applied should be accounted for using Ind AS 109 - Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28.

v) Ind AS 103 - Business Combinations - and Ind AS 111 - Joint Arrangements
Amendment has been made to Ind AS 103 - Business Combinations - and Ind AS 111 -
Joint Arrangements - to clarify measurement of previously held interest in obtaining control/joint control over a joint operation as follows:

(i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is re-measured at fair value at the acquisition date;

(ii) A party obtaining joint control of a business that is joint operation should not re-measure its previously held interest in the joint operation. These amendments will apply to future transactions of the Company in which it obtains joint control of a business on or after April 1, 2019.

vi) Ind AS 109 - Financial Instruments
The narrow-scope amendments made to Ind AS 109 enable entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loans and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract and the asset must be held within a held to collect business model.

The Company had to change its accounting policies following the adoption of Ind AS 116 Leases, refer note 51 for details. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded off to the nearest Crore Rupees (INR 1 Crore = INR 10,000,000) without any decimal unless otherwise stated.

1B. Significant Accounting Policies
A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

A. Investment in Subsidiaries and joint ventures
The investments in subsidiaries and joint ventures are carried in the financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in any subsidiary or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in a subsidiary or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost.

Investments in subsidiaries and joint ventures carried at cost are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of the investment.

B. Investment in Associates
The investments in associates are carried in these financial statements at fair value through Other Comprehensive Income (OCI).

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

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

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.
The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standard applicable to the particular assets, liabilities, revenues and expenses.

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

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

D. Property, Plant and Equipment

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

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

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

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

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management’s intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewal options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the other components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in Property, Plant & Equipment and accumulated depreciation amounts are retained fully until they are removed/retired from active use.

The useful life of the items of Property, Plant and Equipment estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013, refer note 2.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

Internally-generated intangible assets
Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following can be demonstrated:

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

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

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

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

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

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the statement of profit and loss.
The Company measures its Exploration and Evaluation assets at cost and classifies it as Property, Plant and Equipment or Intangible Assets according to the nature of assets acquired and applies the classification consistently.

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

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

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

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

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore, provided all the following conditions are met:

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

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

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

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

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

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

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

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

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

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

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

J. Foreign Currency Transactions

In preparing the financial statements, transactions in currencies other than the Company’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise, except for:

- eligible exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest; and

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies).

Changes in the fair value of non-monetary equity instruments irrevocably classified as fair value through other comprehensive income includes gain or loss on account of exchange differences. The fair value of financial liabilities and financial assets denominated in a foreign currency are translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

K. Provisions and contingencies

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

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

Onerous contracts

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

**Restructurings**
A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected that the Company will carry out the restructuring by stating to implement the plan or announcing its main feature to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

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

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

**Environmental liabilities**
Environmental liabilities are recognised when the Company becomes obliged, legally or constructively, to rectify environmental damage or perform remediation work.

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

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

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

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

**L. Leases**

i) **Accounting policy effective April 1, 2019:**

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

**Lease Liability**

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

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

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

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

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

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**Right of Use (ROU) Assets**

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

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

The Company applies Ind AS 36 - Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on ‘property, plant and equipment’.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.
ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life. The depreciation starts at the commencement date of the lease.

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

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

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

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

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

The Company as lessee
Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company’s general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless the payments

ii) Accounting policy till March 31, 2019:
Leases are classified as finance leases wherever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with an inflation price index or another systematic basis which is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee
Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company’s general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless the payments
are structured to increase in line with an inflation price index or another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

Cost of raw material comprises of Cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition.

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

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

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

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

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

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

Trade receivables which are subject to a factoring arrangement without recourse are de-recognized from the Balance Sheet in its entirety. Under this arrangement, the Company transfers relevant receivables to the factor in exchange for cash and does not retain late payment and credit risk.

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

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

P. Financial Instruments
All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified as at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.
Classification of financial assets
Financial assets are classified as ‘equity instrument’ if it is a non-derivative and meets the definition of ‘equity’ for the issuer. All other non-derivative financial assets are ‘debt instruments’.

Financial assets at amortised cost and the effective interest method
Debt instruments are measured at amortised cost if both of the following conditions are met:

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

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

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

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

Financial assets at fair value through other comprehensive income (FVTOCI)
Debt instruments are measured at FVTOCI if both of the following conditions are met:

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

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

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

A financial asset is held for trading if:

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

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

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

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic
Financial assets at Fair Value through Profit and Loss (FVTPL)
Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

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

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

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

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

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

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

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

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

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

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

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

De-recognition of financial assets
The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity or when it retains contractual rights to retain contractual cash flows from financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipient. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Financial liabilities and equity instruments issued by the Company

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

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

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

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

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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

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

The Company has a policy to designate certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with the cash flow of recognised assets or liabilities or a highly probable forecast transaction (cash flow hedge); or

(c) hedges of a net investment in a foreign operation (net investment hedge).

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

Change in fair value of derivatives that are not designated in any hedge relationship as mentioned above are accounted through the statement of profit and loss at each reporting date.

The Company also identifies embedded derivatives in certain transactions. These derivatives are generally segregated from the host transactions and accounted for separately. These derivatives are designated into a hedge relationship if they meet hedge accounting criteria. Change in Fair Value of such embedded derivatives are accounted in Other Comprehensive Income if they are designated in a cash flow hedge relationship.

Fair Value change of all other embedded derivatives including those that are not designated in any hedge relationship are accounted through the statement of profit and loss.

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

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

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

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

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

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

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

**Hedges of net investments in foreign operations**
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of ‘Foreign Currency Translation Reserve’. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of profit and loss on the disposal of the foreign operation.

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

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

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

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

Investment income earned on the temporary investment of specific borrowings pending their...
T. Accounting for government grants

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

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

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

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

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

U. Employee Benefits

Retirement benefit and termination benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds having terms approximating to the terms of related obligation.

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

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

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

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw
the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

**Short-term and other long-term employee benefits**

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

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

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

**V. Employee Share-based Payments**

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

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

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

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

**W. Income Taxes**

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

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

**Deferred tax**

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

**Current and deferred tax for the period**

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

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

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

**X. Revenue recognition**

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

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

In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates, etc.

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

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

Revenue from irrevocable bill and hold/ holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and the Company does not have the ability to use the product or to direct it to another customer. Under these arrangements, revenue is recognised once legal title has passed and control of the asset sold is transferred to the customer.

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

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

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

Y. Dividend and Interest Income
Dividend income from investments is recognised when the shareholder’s right to receive payment has been established.

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

Z. Exceptional items
Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

1C. Measurement of fair value
a. Financial instruments
The estimated fair value of the Company’s financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

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

c. Derivatives
Fair value of financial derivatives is estimated as the present value of future cash flows, calculated
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

d. Embedded derivatives
Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the balance sheet and in the income statement.

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

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

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

a. Impairment of non-current assets

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

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

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

b. Employee retirement plans

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

The Company provides defined benefit plans to its employees. The discount rate is based on Government bond yield. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase in India. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost, refer note 43.

c. Environmental liabilities and Asset Retirement Obligation (ARO)

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs, refer note 21.
d. Taxes
The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability, refer notes 25. For judgements related to adoption of lower tax rate as per Section 115BBA of the Income tax Act, refer note 22 (h).

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

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

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

h. Fair value measurements
The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date, refer note 47.

i. Contingent assets and liabilities, provisions and uncertain tax positions
There are various legal, direct and indirect tax matters and other obligations including environmental, mining, local and state levies, income tax holiday, availing input tax credits etc., which may impact the Company. Evaluation of uncertain liabilities and contingent liabilities and assets arising out of above matters require management judgment and assumptions, regarding the probability outflow or realization of economic resources and the timing and amount, or range of amounts, that may ultimately be determined. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts, or application of relevant judicial precedents, refer notes 21, 25 and 45.

j. Inventory Measurement
Measurement of bulk inventory quantities (such as coal, bauxite, copper concentrates, etc.) lying at yards and work in progress of precious metals at smelter and refinery is material, complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos, etc., refer note 11.

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

1E. Recent Accounting Pronouncements
There are no other new updates or standards issued through the date of issuance of these financial statements that have not yet been adopted by the Company.
## NOTICES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2. Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress

#### ₹ in Crore

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment – Cost</td>
<td>48,614</td>
<td>48,177</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>16,447</td>
<td>15,008</td>
</tr>
<tr>
<td>Net Carrying amount of Property, Plant and Equipment</td>
<td>32,167</td>
<td>33,169</td>
</tr>
<tr>
<td>Right of Use (ROU) Assets, refer note - 51</td>
<td>989</td>
<td>-</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>111</td>
<td>-</td>
</tr>
<tr>
<td>Net Carrying amount of Right of Use Assets</td>
<td>878</td>
<td>-</td>
</tr>
<tr>
<td>Net Carrying amount of Property, Plant and Equipment (including ROU Assets)</td>
<td>33,045</td>
<td>33,169</td>
</tr>
<tr>
<td>Capital Work-in-Progress, refer note 2 (f)</td>
<td>1,209</td>
<td>947</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,254</strong></td>
<td><strong>34,116</strong></td>
</tr>
</tbody>
</table>

#### ₹ in Crore

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>542</td>
<td>37</td>
</tr>
<tr>
<td>Buildings</td>
<td>7,741</td>
<td>9</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>38,108</td>
<td>245</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>404</td>
<td>(10)</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>489</td>
<td></td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>126</td>
<td>(9)</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>172</td>
<td>6</td>
</tr>
<tr>
<td>Leased Plant &amp; Machinery</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Leased Furniture &amp; Fixtures</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47,642</strong></td>
<td><strong>261</strong></td>
</tr>
</tbody>
</table>

#### ₹ in Crore

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>579</td>
<td>19</td>
</tr>
<tr>
<td>Buildings</td>
<td>7,889</td>
<td>6</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>38,432</td>
<td>260</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>421</td>
<td>(9)</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>489</td>
<td>(1)</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>128</td>
<td>(1)</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>179</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48,117</strong></td>
<td><strong>261</strong></td>
</tr>
</tbody>
</table>

*refer note 2 (j)

### Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at April 01, 2018</th>
<th>Additions</th>
<th>Disposal/ Adjustments</th>
<th>As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>542</td>
<td>37</td>
<td>-</td>
<td>579</td>
</tr>
<tr>
<td>Buildings</td>
<td>7,741</td>
<td>9</td>
<td>-</td>
<td>7,889</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>38,108</td>
<td>245</td>
<td>-</td>
<td>38,432</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>404</td>
<td>(10)</td>
<td>-</td>
<td>421</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>489</td>
<td>-</td>
<td>-</td>
<td>489</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>126</td>
<td>(9)</td>
<td>-</td>
<td>128</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>172</td>
<td>6</td>
<td>-</td>
<td>179</td>
</tr>
<tr>
<td>Leased Plant &amp; Machinery</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Leased Furniture &amp; Fixtures</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47,642</strong></td>
<td><strong>261</strong></td>
<td>-</td>
<td><strong>48,117</strong></td>
</tr>
</tbody>
</table>

*refer notes 4 (f) and 2 (k)
**Right of Use Assets**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ORIGINAL COST</th>
<th>ACCUMULATED DEPRECIATION</th>
<th>ACCUMULATED IMPAIRMENT</th>
<th>NET CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 01.04.2019</td>
<td>As at March 31, 2020</td>
<td>As at March 31, 2020</td>
<td>As at March 31, 2020</td>
</tr>
<tr>
<td>Leasehold Land</td>
<td>712</td>
<td>38</td>
<td>- 750</td>
<td>- 19</td>
</tr>
<tr>
<td>Buildings</td>
<td>70</td>
<td>21</td>
<td>84</td>
<td>- 26</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>56</td>
<td>6</td>
<td>61</td>
<td>38</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>8</td>
<td>14</td>
<td>22</td>
<td>- 6</td>
</tr>
<tr>
<td>Railway Wagens</td>
<td>41</td>
<td>-</td>
<td>41</td>
<td>- 4</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>21</td>
<td>-</td>
<td>21</td>
<td>- 10</td>
</tr>
<tr>
<td>Furniture and Fittings</td>
<td>10</td>
<td>-</td>
<td>10</td>
<td>3 2</td>
</tr>
<tr>
<td>Total</td>
<td>918</td>
<td>79</td>
<td>989</td>
<td>41 72 (2)</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

These Right of Use Assets are combined with all other tangible assets and presented through a single line item ‘Property, Plant and Equipment’ under Non-Current Assets on the face of the Balance Sheet.

(a) Assets for which registration is pending

Freehold Land - Original Cost ₹ 31 Crore (as at 31/03/2019 ₹ 31 Crore). Carrying Amount ₹ 29 Crore (as at 31/03/2019 ₹ 30 Crore).

(b) The Company’s share in jointly owned assets has been grouped together with the relevant class of Property, Plant and Equipment. The proportion of the Original Cost and Carrying Amount included in relevant class of assets are given below:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Cost</td>
<td>Net Carrying Amount</td>
</tr>
<tr>
<td>Freehold Land</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Buildings</td>
<td>41</td>
<td>29</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>41</td>
<td>2</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>4</td>
<td>*</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

(c) Assets pledged and Hypothecated against borrowings:

i All the moveable and immovable Property, Plant and Equipment of Mahan Aluminium, both present and future, carrying value ₹ 11,976 Crore (as at 31/03/2019 ₹ 12,402 Crore) are given as security towards first ranking charge against the rupee term loans from banks of ₹ 2,948 Crore (gross) (as at 31/03/2019 ₹ 2,948 Crore). All the moveable Property, Plant and Equipment of Mahan Aluminium, both present and future are given as first paripassu charge against the foreign currency term loan from bank of ₹ 473 Crore (gross) (as at 31/03/2019 ₹ 434 Crore), refer note 18A (b).

ii All the moveable and immovable Property, Plant and Equipment of Aditya Aluminium both present and future, carrying value of ₹ 12,397 Crore (as at 31/03/2019 ₹ 12,834 Crore) are given as security towards charge against the term loan of ₹ 6,299 Crore (gross) (as at 31/03/2019 ₹ 6,299 Crore), refer note 18A (b).

iii All moveable items of Property, Plant and Equipment (except moveable items of Mahan Aluminium, Aditya Aluminium, Kalwa Plant, Silvassa Plant, current assets of the Company) and certain immovable properties of the Company are given as security towards Non-convertible debentures of ₹ 6,000 Crore (as at 31/03/2019 ₹ 6,000 Crore), refer note 18A (a).
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(d) For capital expenditures contracted but not incurred, refer note 45B.

(e) For previous year, in respect of future minimum lease payments and their present value of Property, Plant and Equipment taken under finance lease as per Ind AS 17, refer note 18A (d).

(f) CWIP comprises of various projects and expansion spread over all units. Many of these projects will be capitalized during the year ending March 31, 2021. The Company has tested the carrying value of CWIP for impairment as at reporting date. During the previous year, ₹ 9 Crore had been classified to held for sale from the CWIP.

**Major CWIP are related to following Segments:**

<table>
<thead>
<tr>
<th>Segments</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>970</td>
<td>761</td>
</tr>
<tr>
<td>Copper</td>
<td>130</td>
<td>98</td>
</tr>
<tr>
<td>Corporate</td>
<td>109</td>
<td>88</td>
</tr>
<tr>
<td>Total</td>
<td>1,209</td>
<td>947</td>
</tr>
</tbody>
</table>

(g) **Items of Property, Plant and Equipment**

<table>
<thead>
<tr>
<th>Items of Property, Plant and Equipment</th>
<th>Useful Life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>Infinite^</td>
</tr>
<tr>
<td>Buildings</td>
<td>30 - 60</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>15 - 40</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>8 - 20</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>15</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>15</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>8 - 10</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>3 - 6</td>
</tr>
</tbody>
</table>

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

(h) **Note on sale of Kollur unit.**

The Company has sold its Aluminium Foil manufacturing unit at Kollur, Telangana, on slump sale basis through a Business Transfer Agreement dated 26th April, 2019, Profit on sale amounting to ₹ 25 Crore is booked under Exceptional Income. (refer note 37)

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

(j) Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease assets identified under the earlier Ind AS 17 Leases, have been reclassified to ROU Assets. (refer note 51).

(k) Consequent upon settlement of claim with one of the major suppliers related to our Smelters at Aditya and Mahan, the Company has recovered ₹ 87 Crore as liquidated damages during the year. The entire amount has been credited to cost of respective items of Property, Plant and Equipment.

3. Investment Properties

<table>
<thead>
<tr>
<th>As at</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Cost</td>
<td>13</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>4</td>
</tr>
<tr>
<td>Net Carrying Amount</td>
<td>9</td>
</tr>
</tbody>
</table>
### Rental income

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ORIGINAL COST</th>
<th>ACCUMULATED DEPRECIATION</th>
<th>ACCUMULATED IMPAIRMENT</th>
<th>NET CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at April 01, 2019</td>
<td>As at March 31, 2019</td>
<td>As at April 01, 2019</td>
<td>As at March 31, 2020</td>
</tr>
<tr>
<td><strong>Freehold Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>-</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
<td>-</td>
<td>4</td>
<td>9</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.*

### Direct operating expenses (including repairs and maintenance) on properties generating rental income

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ORIGINAL COST</th>
<th>ACCUMULATED DEPRECIATION</th>
<th>ACCUMULATED IMPAIRMENT</th>
<th>NET CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at April 01, 2019</td>
<td>As at March 31, 2019</td>
<td>As at April 01, 2019</td>
<td>As at March 31, 2020</td>
</tr>
<tr>
<td><strong>Freehold Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>-</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
<td>-</td>
<td>4</td>
<td>9</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.*

### The Company has no contractual obligations to purchase, construct or develop Investment Properties or for repairs, maintenance and enhancements.

### The fair value of the Company’s Investment Properties as at March 31, 2020 and as at March 31, 2019, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investments properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

### Items of Investment Properties

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Useful Life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Freehold Land</strong></td>
<td>Infinite</td>
</tr>
<tr>
<td><strong>Buildings</strong></td>
<td>60</td>
</tr>
</tbody>
</table>

$ During the current year, the Company has sold its Aluminium Foil manufacturing unit situated at Kollur, Telengana, refer note 2 (h).
### 4. Intangible Assets and Intangible Assets under Development

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ORIGINAL COST</th>
<th>ACCUMULATED AMORTISATION</th>
<th>ACCUMULATED IMPAIRMENT</th>
<th>NET CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at April 01, 2019</td>
<td>As at March 31, 2019</td>
<td>As at April 01, 2019</td>
<td>As at March 31, 2019</td>
</tr>
<tr>
<td>Mining rights (refer Notes (a) and (d))</td>
<td>421 96 - 517 105 101 - 206 - - - - 311 316</td>
<td>680 100 - 709 253 111 - 364 - - - - 345 356</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Software</td>
<td>68 4 - 72 58 6 - 64 - - - - 8 10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technological Licenses</td>
<td>39 - - 39 38 1 - 39 - - - - - 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rights to Use Assets</td>
<td>81 - - 81 52 3 - 55 - - - - - 26 29</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>609 100 - 709 253 111 - 364 - - - - 345 356</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Addition in Mining Rights includes ₹ 47 Crore and amortization expense includes ₹ 38 Crore (as at 31/03/2019, addition included ₹ 91 Crore, and amortization expense included ₹ 88 Crore) towards stripping activity assets.

(b) The Carrying Amount of Intangible Asset under Development as at 31/03/2020 is ₹ 73 Crore (as at 31/03/2019 was ₹ 35 Crore). This includes ₹ 70 Crore pertaining to Enterprise Resource Planning System implementation (as at 31/03/2019 was ₹ 34 Crore). The Company has tested the carrying value of Intangible Asset under Development for impairment as at reporting date.

(c) **Items of Intangible Assets**

<table>
<thead>
<tr>
<th>Items of Intangible Assets</th>
<th>Useful Life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Rights</td>
<td>11 - 41</td>
</tr>
<tr>
<td>Computer Software</td>
<td>3 - 6</td>
</tr>
<tr>
<td>Technological Licenses</td>
<td>4 - 5</td>
</tr>
</tbody>
</table>

(d) Remaining amortisation period of mining rights ranges between 8 - 36 years.

(e) The useful lives of Intangible assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

(f) During the current year, the Company has reclassified its Right to use assets to Plant and Machinery (under Property, Plant and Equipment).
5. Investments in Subsidiaries
(Fully Paid-up, unless otherwise stated)

<table>
<thead>
<tr>
<th>Investments in Equity Shares - (a) and (b)</th>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Value as at 31/03/2020</th>
<th>Numbers as at 31/03/2019</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unquoted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A V Minerals (Netherlands) N.V.</td>
<td>€ 567.83</td>
<td>2,376,694</td>
<td>2,373,472</td>
<td>10,174</td>
<td>10,159</td>
</tr>
<tr>
<td>Dahej Harbour &amp; Infrastructure Limited</td>
<td>₹ 10</td>
<td>50,000,000</td>
<td>50,000,000</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>East Coast Bauxite Mining Company Pvt. Ltd.</td>
<td>₹ 10</td>
<td>7,400</td>
<td>7,400</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Hindalco Almex Aerospace Limited</td>
<td>₹ 10</td>
<td>172,115,744</td>
<td>172,115,744</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Lucknow Finance Company Limited</td>
<td>₹ 10</td>
<td>9,902,500</td>
<td>9,902,500</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Minerals &amp; Minerals Limited</td>
<td>₹ 10</td>
<td>50,000</td>
<td>50,000</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Renuka Investments &amp; Finance Limited</td>
<td>₹ 10</td>
<td>9,250,000</td>
<td>9,250,000</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Renukeshwar Investments &amp; Finance Limited</td>
<td>₹ 10</td>
<td>4,795,000</td>
<td>4,795,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Suvas Holdings Limited</td>
<td>₹ 10</td>
<td>22,149,714</td>
<td>21,647,825</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Utkal Alumina International Limited</td>
<td>₹ 10</td>
<td>6,251,482,818</td>
<td>6,251,482,818</td>
<td>6,362</td>
<td>6,362</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16,715</td>
<td>16,700</td>
</tr>
</tbody>
</table>

| Other Equity Investment - (Fair Value of Financial Guarantee given for) - (c) | | | | | |
|---------------------------------------------------------------------------|| | | | |
| Utkal Alumina International Limited                                       | NA                   | NA                       | 75                      | 75                      |
| Suvas Holdings Limited                                                    | NA                   | NA                       | *                       | *                       |
| A V Minerals (Netherlands) N.V.                                           | NA                   | NA                       | 3                       | 3                       |
| **Total (B)**                                                             |                     |                          | 78                      | 78                      |
| **Total**                                                                 |                     |                          | 16,793                  | 16,778                  |

*Amount below rounding off convention.*

(a) Aggregate carrying value of Investments in subsidiaries is ₹ 16,793 Crore (as at 31/03/2019 ₹ 16,778). None of the subsidiaries is listed on any stock exchange in India or outside India it is carried at cost. There is no accumulated impairment during as at current or previous year end.

(b) Refer Note 53 to the Consolidated Financial Statements for information on principal place of business and the Company’s ownership interest in the above subsidiaries.

(c) Financial guarantees given to subsidiaries were initially recognised at fair value as Other Equity Investment until the investment in subsidiaries are derecognised or impaired, refer note 27 (d).

6. Investments in Associates and Joint Ventures

A Investments in Associates
(Fully Paid-up, unless otherwise stated)

<table>
<thead>
<tr>
<th>Investments in Equity Shares at FVTOCI - (a)</th>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Value as at 31/03/2020</th>
<th>Numbers as at 31/03/2019</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unquoted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aditya Birla Science and Technology Company</td>
<td>₹ 10</td>
<td>9,800,000</td>
<td>9,800,000</td>
<td>27</td>
<td>23</td>
</tr>
<tr>
<td>Private Limited</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aditya Birla Renewables Subsidiary Limited</td>
<td>₹ 10</td>
<td>6,895,200</td>
<td>5,746,000</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total (A)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34</td>
<td>28</td>
</tr>
</tbody>
</table>
B. Investments in Joint Ventures
(Fully Paid-up, unless otherwise stated)

<table>
<thead>
<tr>
<th>Investments in Equity Shares at Cost - (a) and (c)</th>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>MNH Shakti Limited</td>
<td>₹ 10</td>
<td>12,765,000</td>
<td>-</td>
</tr>
<tr>
<td>Hydromine Global Minerals GmbH Limited</td>
<td>₹ 100</td>
<td>66,562</td>
<td>-</td>
</tr>
<tr>
<td>Total (B)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investments in Associates and Joint Ventures (A+B) 48 28

(a) Aggregate amount of investments is given below:
   Aggregate cost of unquoted investments in Associates 17 16
   Aggregate cost of unquoted investments in Joint Ventures 46 -
   Impairment on unquoted investments in Joint Ventures (32) -

(b) Refer Note 53 to the Consolidated Financial Statements for information on principal place of business and the Company's ownership interest in the above Associates and Joint Ventures.

(c) During the current year, Investment of ₹ 14 Crore (net of accumulated impairment Loss of ₹ 32 Crore) in Hydromine Global Minerals GmbH Limited and MNH Shakti Limited were reclassified from Non-Current Assets or Disposal Group classified as Held For Sale, refer Note 15A.

7A. Other Investments, Non-Current
(Fully Paid-up, unless otherwise stated)

<table>
<thead>
<tr>
<th>Equity Instruments at FVTOCI - (a)</th>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Aluminium Company Limited</td>
<td>₹ 5</td>
<td>18,385,327</td>
<td>18,385,327</td>
</tr>
<tr>
<td>Grasim Industries Limited</td>
<td>₹ 2</td>
<td>28,222,468</td>
<td>28,222,468</td>
</tr>
<tr>
<td>UltraTech Cement Limited</td>
<td>₹ 10</td>
<td>1,258,515</td>
<td>1,258,515</td>
</tr>
<tr>
<td>Aditya Birla Fashion &amp; Retail Limited</td>
<td>₹ 10</td>
<td>44,982,142</td>
<td>44,982,142</td>
</tr>
<tr>
<td>Vodafone Idea Limited - (b)</td>
<td>₹ 10</td>
<td>751,119,164</td>
<td>228,340,226</td>
</tr>
<tr>
<td>Aditya Birla Capital Limited</td>
<td>₹ 10</td>
<td>39,511,455</td>
<td>39,511,455</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (a)</td>
<td></td>
<td>2,893</td>
<td>4,818</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unquoted</th>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sai Wardha Power Generation Limited</td>
<td>₹ 10</td>
<td>2,830,352</td>
<td>2,830,352</td>
</tr>
<tr>
<td>Birla International Limited</td>
<td>CHF 100</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Bharuch Dahej Railway Company Limited</td>
<td>₹ 10</td>
<td>13,530,000</td>
<td>13,530,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (b)</td>
<td></td>
<td>27</td>
<td>35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debt Instruments at FVTOCI - (a)</th>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Quoted</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.83% Government of India Bond, 2039</td>
<td></td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

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Unquoted

Mutual Funds

Investments in Debt Schemes of Mutual Funds


<table>
<thead>
<tr>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Numbers as at 31/03/2019</th>
<th>Value as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>₹ in Crore</td>
<td></td>
</tr>
</tbody>
</table>

(a) Aggregate amount of Quoted and Unquoted Investments, Market Value of Quoted Investments are given below:

<table>
<thead>
<tr>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate Cost of Quoted Investments</td>
<td>1,174</td>
</tr>
<tr>
<td>Aggregate Market value of Quoted Investments</td>
<td>2,913</td>
</tr>
<tr>
<td>Aggregate Cost of Unquoted Investments</td>
<td>38</td>
</tr>
<tr>
<td>Aggregate Carrying value of Quoted and Unquoted Investments</td>
<td>2,959</td>
</tr>
</tbody>
</table>

(b) During the current year, the Company has subscribed to the Rights Issue of Vodafone Idea Limited in the tune of ₹ 653 Crore (522,778,938 shares at ₹ 12.50 per share).

7B. Other Investments, Current

Investments in Government Securities at FVTOCI - (b)

<table>
<thead>
<tr>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Numbers as at 31/03/2019</th>
<th>Value as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>₹ in Crore</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investments in Debentures and Bonds at FVTPL

Investments in Other Entities - (b) and (c)

<table>
<thead>
<tr>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Numbers as at 31/03/2019</th>
<th>Value as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
<th>₹ in Crore</th>
</tr>
</thead>
</table>
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Face Value Per Unit</th>
<th>Numbers as at 31/03/2020</th>
<th>Value as at 31/03/2020</th>
<th>Value as at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.27% NCD of REC Limited</td>
<td>₹ 1,000,000</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>7.18% NCD of PFC</td>
<td>₹ 1,000,000</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>7.19% NCD of PFC</td>
<td>₹ 1,000</td>
<td>9,565</td>
<td>9,565</td>
</tr>
<tr>
<td>7.36% NCD of PFC</td>
<td>₹ 1,000</td>
<td>25,187</td>
<td>25,187</td>
</tr>
<tr>
<td>8.20% NCD of PFC</td>
<td>₹ 1,000</td>
<td>36,862</td>
<td>36,862</td>
</tr>
<tr>
<td>8.30% NCD of PFC</td>
<td>₹ 1,000</td>
<td>10,163</td>
<td>10,163</td>
</tr>
<tr>
<td>7.77% NCD of PNB Housing Finance Ltd.</td>
<td>₹ 1,000,000</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>7.07% HUDCO Bonds</td>
<td>₹ 1,000,000</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>7.34% HUDCO Bonds</td>
<td>₹ 1,000</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>7.51% HUDCO Bonds</td>
<td>₹ 1,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>7.28% NHAI Bonds</td>
<td>₹ 1,000,000</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>8.63% NCD of IDFC Bank Ltd</td>
<td>₹ 1,000,000</td>
<td>-</td>
<td>250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments in Mutual Funds at FVTPL - (a) and (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted</td>
</tr>
<tr>
<td>Investments in Debt Schemes of Mutual Funds</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

(a) Investments in Debt Schemes of Mutual Funds include ₹ 161 Crore (as at 31/03/2019 ₹ 76 Crore) being deposit as margin money with counter parties for derivative transactions.

(b) Aggregate amount of Quoted and Unquoted Investments, Market Value of Quoted Investments are given below:

<table>
<thead>
<tr>
<th>As at</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Aggregate Cost of Quoted Investments</td>
<td>4,511</td>
</tr>
<tr>
<td>Aggregate Market Value of Quoted Investments</td>
<td>4,839</td>
</tr>
<tr>
<td>Aggregate Cost of Unquoted Investments</td>
<td>-</td>
</tr>
<tr>
<td>Aggregate Carrying value of Quoted and Unquoted Investments</td>
<td>4,839</td>
</tr>
</tbody>
</table>

(c) NCD stands for Non Convertible Debentures

8. Loans
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th>As at</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td></td>
<td>Non-Current</td>
</tr>
<tr>
<td>Loan to Related Parties, (refer Note 44)</td>
<td>6</td>
</tr>
<tr>
<td>Loan to Employees</td>
<td>8</td>
</tr>
<tr>
<td>Loan to Others</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>14</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention
9A. Other Financial Assets, Non-Current  
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Assets, (refer Note 50)</td>
<td>46</td>
<td>96</td>
</tr>
<tr>
<td>Security Deposits - (a) and (b)</td>
<td>136</td>
<td>139</td>
</tr>
<tr>
<td>Deposit with Others - (a) and (c)</td>
<td>29</td>
<td>26</td>
</tr>
</tbody>
</table>

(a) For related party transactions (refer Note 44).
(b) During the current year Security Deposit of ₹ 9 Crore (as at 31/03/2019 ₹ Nil) is pledged.
(c) During the current year earmarked balances with Banks is ₹ 20 Crore (as at 31/03/2019 ₹ 15 Crore).

9B. Other Financial Assets, Current  
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Assets (refer Note 50)</td>
<td>862</td>
<td>822</td>
</tr>
<tr>
<td>Derivatives Matured Pending Realisation</td>
<td>49</td>
<td>18</td>
</tr>
<tr>
<td>Security Deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered Good</td>
<td>36</td>
<td>22</td>
</tr>
<tr>
<td>Unsecured, Considered Doubtful</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Allowance for Doubtful amount</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits with Non-Banking Financial Company (NBFC) with initial maturity more than 3 months</td>
<td>-</td>
<td>215</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>Other Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered Good</td>
<td>17</td>
<td>30</td>
</tr>
<tr>
<td>Unsecured, Considered Doubtful</td>
<td>63</td>
<td>65</td>
</tr>
<tr>
<td>Less: Allowance for Doubtful Amount</td>
<td>(63)</td>
<td>(65)</td>
</tr>
</tbody>
</table>

982 1,135

*Amount below rounding off convention.

10. Other Assets  
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Advance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance to Employees</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Deposit with Government and Other Authorities</td>
<td>-</td>
<td>39</td>
</tr>
<tr>
<td>Advance to Supplier for Goods and Services - (b)</td>
<td>141</td>
<td>805</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>8</td>
<td>34</td>
</tr>
<tr>
<td>Prepaid Rent for Leasehold Land (refer Note 51)</td>
<td>-</td>
<td>586</td>
</tr>
<tr>
<td>Others - (a) and (c)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered Good</td>
<td>402</td>
<td>905</td>
</tr>
<tr>
<td>Unsecured, Considered Doubtful</td>
<td>10</td>
<td>138</td>
</tr>
<tr>
<td>Less: Allowance for Doubtful amount</td>
<td>(10)</td>
<td>(138)</td>
</tr>
</tbody>
</table>

717 1,799 1,178 1,955
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(a) Mainly includes unutilised tax credits and claims receivables from Indirect Tax Authorities.
(b) For related party transactions (refer Note 44).
(c) Includes ₹ 192 Crore (Garepalma ₹ 74 Crore and Kathautia ₹ 118 Crore) towards appropriation of Performance Bank Guarantee by Nominated Authority (NA), refer Note 55.

11. Inventories

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020 As at</th>
<th>31/03/2019 As at</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On Hand</td>
<td>In Transit</td>
</tr>
<tr>
<td>Raw Materials</td>
<td>1,786</td>
<td>2,285</td>
</tr>
<tr>
<td>Work-in-Progress</td>
<td>4,572</td>
<td>23</td>
</tr>
<tr>
<td>Finished Goods</td>
<td>1,282</td>
<td>55</td>
</tr>
<tr>
<td>Stock-in-Trade</td>
<td>127</td>
<td>-</td>
</tr>
<tr>
<td>Stores and Spares</td>
<td>585</td>
<td>33</td>
</tr>
<tr>
<td>Coal and Fuel</td>
<td>395</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td><strong>8,747</strong></td>
<td><strong>2,478</strong></td>
</tr>
</tbody>
</table>

(a) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and taken to profit and loss when the inventory is either sold or consumed, refer Note 50 H.

The Company has extended fair value hedge accounting on its inventory which forms part of Work-in-Progress and Finished Goods during the year, refer Notes 50 A and 50 H.

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

(c) Write downs of inventories (net of reversal) to net realizable value related to raw materials, work-in-progress and finished goods amounted to ₹ 266 Crore (as at 31/03/2019 ₹ 184 Crore). These were recognized as expense during the year and included in ‘cost of raw material consumed’ and ‘change in value of inventories of work-in-progress and finished goods’ in the Statement of Profit and Loss.

(d) Inventories include bulk materials of Coal, Bauxite and Copper Concentrate lying at yards and precious metals of Gold and Silver lying at smelter and refinery aggregating to ₹ 3,255 Crore (as at 31/03/2019 ₹ 2,286 Crore).

12. Trade Receivables

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020 As at</th>
<th>31/03/2019 As at</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>31/03/2020</strong></td>
<td><strong>31/03/2019</strong></td>
</tr>
<tr>
<td>Secured, Considered Good</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Unsecured, Considered Good</td>
<td>2,099</td>
<td>2,123</td>
</tr>
<tr>
<td>Unsecured, Credit Impaired</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Loss Allowances - (c)</td>
<td>(39)</td>
<td>(35)</td>
</tr>
<tr>
<td></td>
<td><strong>2,093</strong></td>
<td><strong>2,125</strong></td>
</tr>
</tbody>
</table>

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

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

(c) Loss allowances includes provision of ₹ 9 Crore (31/03/2019: ₹ 5 Crore) made on account of expected credit loss on Trade Receivables, refer Note 48 (C).

(d) Refer Note 44 for balances with related parties.
13. Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Cash on Hand</td>
<td></td>
</tr>
<tr>
<td>Cheques and Drafts in</td>
<td>6</td>
</tr>
<tr>
<td>Hand - (a)</td>
<td></td>
</tr>
<tr>
<td>Balances with Banks</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Accounts</td>
<td>213</td>
</tr>
<tr>
<td>Deposits with Initial</td>
<td>1,974</td>
</tr>
<tr>
<td>Maturity of less than</td>
<td></td>
</tr>
<tr>
<td>three Months</td>
<td></td>
</tr>
<tr>
<td>Short-term Liquid</td>
<td>1,072</td>
</tr>
<tr>
<td>Investments in Mutual</td>
<td></td>
</tr>
<tr>
<td>Funds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,265</td>
</tr>
</tbody>
</table>

(a) Includes ₹ * Crore (as at 31/03/2019 ₹ * Crore) remittance in transit.

(b) There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

* Amount below rounding off convention.

14. Bank Balances other than Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Balances with Banks</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Earmarked Balances - (a)</td>
<td>12</td>
</tr>
<tr>
<td>Deposits with Initial</td>
<td>3</td>
</tr>
<tr>
<td>Maturity more than three months</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

(a) Includes unclaimed dividend of ₹ 4 Crore (as at 31/03/2019 ₹ 5 Crore).

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

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
</tr>
<tr>
<td>classified as Held For</td>
<td></td>
</tr>
<tr>
<td>Sale - (a)</td>
<td>-</td>
</tr>
<tr>
<td>Assets of Disposal Group</td>
<td>68</td>
</tr>
<tr>
<td>Held For Sale - (b)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>68</td>
</tr>
</tbody>
</table>

(a) Non-Current Assets classified as Held For Sale

Investments in Joint Ventures #

|                         |           |           |
| Hydromine Global Minerals GmbH Limited | -        | 1         |
| MNH Shakti Limited              | -        | 12        |
|                                | -        | 13        |

# During the current year Hydromine Global Minerals GmbH Limited and MNH Shakti Limited have been reclassified to Investment in Joint Ventures, refer Note 6B.

(b) Assets of Disposal Group Held For Sale

|                         |           |           |
| Land and Buildings      | 25        | 25        |
| Plant and Machinery     | 41        | 40        |
| Others - (ii)           | 2         | 16        |
| Total                   | 68        | 81        |
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(i) The Company is in the process of disposing the above assets.
(ii) Assets of Mahan Coal Limited and Tubed Coal Mines Limited, Joint Operations of the Company are included in 31/03/2019. During the current year it been presented in respective balance sheet line items as it did not continue to meet the criteria for held for sale.
(iii) The fair value of the assets held for sale approximates the carrying value.
(iv) Refer Note 53 to the Consolidated Financial Statements for information on principal place of business and the Company's ownership interest in the above Subsidiaries, Joint Ventures and Joint Operations.

15B. Liabilities Associated with Disposal Group classified as Held For Sale

<table>
<thead>
<tr>
<th>As at</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Liabilities Associated with Assets Held For Sale</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities Associated with Disposal Group Held For Sale</td>
<td>-</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

16. Equity Share Capital

<table>
<thead>
<tr>
<th>As at</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Authorised</td>
<td></td>
</tr>
<tr>
<td>2,500,000,000 (as at 31/03/2019: 2,500,000,000) Equity Shares of ₹ 1/- each</td>
<td>250</td>
</tr>
<tr>
<td>25,000,000 (as at 31/03/2019: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each</td>
<td>5</td>
</tr>
<tr>
<td><strong>255</strong></td>
<td><strong>255</strong></td>
</tr>
<tr>
<td>Issued</td>
<td></td>
</tr>
<tr>
<td>2,246,776,333 (as at 31/03/2019: 2,246,083,891) Equity Shares of ₹ 1/- each - (a)</td>
<td>225</td>
</tr>
<tr>
<td><strong>225</strong></td>
<td><strong>225</strong></td>
</tr>
<tr>
<td>Subscribed and Paid-up</td>
<td></td>
</tr>
<tr>
<td>2,246,768,936 (as at 31/03/2019: 2,246,076,494) Equity Shares of ₹ 1/- each fully paid-up</td>
<td>225</td>
</tr>
<tr>
<td>Less: Face Value of 546,249 (as at 31/03/2019: 546,249) Equity Shares forfeited</td>
<td>*</td>
</tr>
<tr>
<td>Add: Forfeited Shares (Amount originally Paid up)</td>
<td>*</td>
</tr>
<tr>
<td><strong>225</strong></td>
<td><strong>225</strong></td>
</tr>
<tr>
<td>Less: Treasury Shares</td>
<td></td>
</tr>
<tr>
<td>16,316,130 (as at 31/03/2019: 16,316,130) Equity Shares - (b)</td>
<td>(2)</td>
</tr>
<tr>
<td>5,885,672 (as at 31/03/2019: 5,558,727) Equity Shares refer Note 17 (A) (viii)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>222</strong></td>
<td><strong>222</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Issued Equity Capital as at 31/03/2020 includes 7,397 Equity Shares (as at 31/03/2019 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.
(b) Treasury shares are held by Trident Trust which represents 16,316,130 equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon’ble High Courts of Mumbai and of Allahabad, vide their Orders dated 31st October, 2002, and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to January 23, 2024.

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

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2020</th>
<th>Numbers</th>
<th>₹ in Crore</th>
<th>As at 31/03/2019</th>
<th>Numbers</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Shares outstanding at the beginning of the period</td>
<td>2,223,655,388</td>
<td>222</td>
<td>2,228,646,772</td>
<td>223</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Shares allotted pursuant to exercise of Employee Stock Option Scheme</td>
<td>692,442 *</td>
<td>567,343</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Shares purchased from market pursuant to Employee Stock Option Scheme</td>
<td>(326,945) *</td>
<td>(5,558,727)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Shares outstanding at the end of the period</td>
<td>2,224,020,885</td>
<td>222</td>
<td>2,223,655,388</td>
<td>222</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

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

The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2020</th>
<th>Number of Shares Held</th>
<th>Percentage of Holding *</th>
<th>As at 31/03/2019</th>
<th>Number of Shares Held</th>
<th>Percentage of Holding *</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGH Holdings Private Limited</td>
<td>349,963,487</td>
<td>15.58</td>
<td></td>
<td>349,963,487</td>
<td>15.58</td>
<td></td>
</tr>
<tr>
<td>Birla Group Holdings Private Limited #</td>
<td>228,292,308</td>
<td>10.16</td>
<td></td>
<td>6,731,467</td>
<td>0.30</td>
<td></td>
</tr>
<tr>
<td>Life Insurance Corporation of India and its Associates</td>
<td>223,822,083</td>
<td>9.96</td>
<td>178,075,294</td>
<td>7.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICICI Prudential Mutual Fund and Its Associates</td>
<td>181,533,867</td>
<td>8.08</td>
<td>155,362,808</td>
<td>6.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Morgan Guaranty Trust Company of New York</td>
<td>149,868,482</td>
<td>6.67</td>
<td>153,348,431</td>
<td>6.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turquoise Investment and Finance Private Limited #</td>
<td>-</td>
<td>-</td>
<td>124,012,468</td>
<td>5.52</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Percentage has been calculated on the basis of total number of shares outstanding (before adjusting shares held by Trident Trust and ESOP Trust, refer footnote (b) above and Note 17 (A) (viii).

* During the current year Turquoise Investment and Finance Private Limited is merged with Birla Group Holdings Private Limited.

(f) Shares reserved for issue under options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes, refer Note 42 - Employee Share-based Payments for details of Employee Stock Option Schemes.

(g) The Company during the preceding 5 years:

i. Has not allotted shares pursuant to contracts without payment received in cash.
ii. Has not issued shares by way of bonus shares.
iii. Has not bought back any shares.

(h) The Board of Directors of the Company has recommended final dividend of ₹ 1.00 per share aggregating to ₹ 225 Crore for the year ended 31st March 2020 which has not been recognised in the financial statement.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

17. Other Equity

### Share Application Money Pending Allotment

<table>
<thead>
<tr>
<th>Reserves and Surplus</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Reserve</td>
<td>145</td>
<td>145</td>
</tr>
<tr>
<td>Capital Redemption Reserve</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td>Business Reconstruction Reserve</td>
<td>7,715</td>
<td>7,715</td>
</tr>
<tr>
<td>Securities Premium</td>
<td>8,217</td>
<td>8,206</td>
</tr>
<tr>
<td>Debenture Redemption Reserve</td>
<td>1,200</td>
<td>1,050</td>
</tr>
<tr>
<td>Employee Stock Options</td>
<td>45</td>
<td>22</td>
</tr>
<tr>
<td>Treasury Shares held by ESOP Trust</td>
<td>(130)</td>
<td>(123)</td>
</tr>
<tr>
<td>General Reserve</td>
<td>21,354</td>
<td>21,354</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>4,834</td>
<td>4,813</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43,482</strong></td>
<td><strong>43,284</strong></td>
</tr>
</tbody>
</table>

### Other Reserves

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain/ (Loss) on Equity Instruments FVTOCI</td>
<td>1,766</td>
<td>4,348</td>
</tr>
<tr>
<td>Gain/ (Loss) on Debt Instruments FVTOCI</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Effective portion of Cash Flow Hedge</td>
<td>(102)</td>
<td>198</td>
</tr>
<tr>
<td>Cost of Hedging Reserve</td>
<td>119</td>
<td>502</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,790</strong></td>
<td><strong>5,052</strong></td>
</tr>
<tr>
<td><strong>Total Other Reserves</strong></td>
<td><strong>45,272</strong></td>
<td><strong>48,336</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

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

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

Share application money pending allotment represents amount received from employees who have exercised employee stock options for which shares are pending allotment as on balance sheet date.

(ii) **Capital Reserve:**

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

(iii) **Capital Redemption Reserve:**

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

(iv) **Business Reconstruction Reserve:**

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

(v) **Securities Premium:**

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

(vi) **Debenture Redemption Reserve:**

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

(vii) **Employee Stock Options:**

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

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

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

Shares held by Trust are treated as Treasury shares. Equity instruments that are reacquired (Treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit and loss on purchase, sale, issue or cancellation of Equity instruments. Share options whenever exercised, would be utilised from such treasury shares, refer Note 42.

(ix) **General Reserve:**
The Company has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend in the past.

(x) **Retained Earning:**
Amount of retained earnings represents accumulated profit and losses of the Company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI.

(xi) **Other Reserves:**

a) **Gain/ (Loss) on equity and debt instruments accounted as FVTOCI:**
The Company has elected to recognize changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve and FVTOCI debt investment reserve within equity.

b) **Effective portion of Cash Flow Hedge:**
The Company uses hedging instruments as part of its risk management policy for commodity and foreign currency risk as described in Note 50. The Cash Flow hedging reserve is used to recognise the effective portion of gain or loss on designated hedging relationship, refer Notes 50 E and 50 F(i).

c) **Cost of Hedging Reserve:**
The Company designates the spot component of some of its derivative instruments in cash flow hedge relationship. The Company defers changes in the forward element of such instruments in the cost of hedging reserve. The deferred cost of hedging are included in the initial cost of the related hedged items when it is recognized or reclassified to the statement of profit and loss when the hedged item effects the statement of profit and loss. The Company also designates time value of option contracts which are included in the cost of hedging reserve, refer Notes 50 E and 50 F(ii)

(B) Movement of each item of other equity is presented in Statement of Changes in Equity (SOCIE)

### 18A. Borrowings, Non-current

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31/03/2020</th>
<th>As at</th>
<th>31/03/2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Non-Current Portion</td>
<td>Current Maturities*</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Secured</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debentures</td>
<td></td>
<td>5,994</td>
<td>-</td>
<td>5,991</td>
</tr>
<tr>
<td>Secured Non-Convertible Debentures - (a)</td>
<td>5,994</td>
<td>-</td>
<td>5,991</td>
<td>5,991</td>
</tr>
<tr>
<td>Term Loans</td>
<td></td>
<td>9,197</td>
<td>6</td>
<td>9,203</td>
</tr>
<tr>
<td>From Banks</td>
<td></td>
<td>469</td>
<td>-</td>
<td>469</td>
</tr>
<tr>
<td>Finance Lease Obligation - (d)</td>
<td></td>
<td>-</td>
<td>-</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15,660</td>
<td>6</td>
<td>15,666</td>
</tr>
<tr>
<td><strong>Unsecured</strong></td>
<td></td>
<td>15,660</td>
<td>6</td>
<td>15,666</td>
</tr>
</tbody>
</table>

*Current maturities of non-current borrowings have been disclosed under “Other Financial Liabilities, Current”. 

Greener. Stronger. Smarter
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(a) Debentures comprise of following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Gross Amount</th>
<th>Carrying Value</th>
<th>Gross Amount</th>
<th>Carrying Value</th>
<th>Redemption Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000 9.60% Redeemable Debentures of ₹10 lakh each</td>
<td>1,500</td>
<td>1,498</td>
<td>1,500</td>
<td>1,497</td>
<td>02/08/2022</td>
</tr>
<tr>
<td>15,000 9.55% Redeemable Debentures of ₹10 lakh each</td>
<td>1,500</td>
<td>1,497</td>
<td>1,500</td>
<td>1,496</td>
<td>27/06/2022</td>
</tr>
<tr>
<td>30,000 9.55% Redeemable Debentures of ₹10 lakh each</td>
<td>3,000</td>
<td>2,999</td>
<td>3,000</td>
<td>2,998</td>
<td>25/04/2022</td>
</tr>
<tr>
<td>Total</td>
<td>6,000</td>
<td>5,994</td>
<td>6,000</td>
<td>5,991</td>
<td></td>
</tr>
</tbody>
</table>

All the above Debentures are secured by the moveable assets, both present and future (except moveable assets of Mahan Aluminium, Aditya Aluminium, Kalwa plant, Silvassa Plant, Current Assets of the Company) and certain immovable properties of the Company, refer Note 2 (c) (iii).

(b) Rupee term loan from banks comprise of following:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Note</th>
<th>Rate of Interest</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
<th>End of Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axis Bank</td>
<td>(i)</td>
<td>MCLR 1 Month #</td>
<td>619</td>
<td>613</td>
<td>619</td>
</tr>
<tr>
<td>State Bank of India</td>
<td>(i)</td>
<td>MCLR 3 Months + 10 bps</td>
<td>2,239</td>
<td>2,227</td>
<td>2,239</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>(i)</td>
<td>MCLR 3 Months</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>State Bank of India</td>
<td>(ii)</td>
<td>MCLR 3 Months + 10 bps</td>
<td>4,672</td>
<td>4,657</td>
<td>4,672</td>
</tr>
<tr>
<td>PNB Bank</td>
<td>(ii)</td>
<td>MCLR 3 Months</td>
<td>256</td>
<td>255</td>
<td>256</td>
</tr>
<tr>
<td>Axis Bank</td>
<td>(ii)</td>
<td>MCLR 1 Months</td>
<td>1,371</td>
<td>1,361</td>
<td>1,371</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>9,247</td>
<td>9,203</td>
<td>9,247</td>
</tr>
</tbody>
</table>

# Benchmark changed w.e.f. Sept 2019. Previous benchmark was MCLR 3 Months.

i. The term loans from banks of ₹2,948 Crore (gross) are secured by a first ranking charge/mortgage/security interest in respect of all the moveable fixed assets and all the immovable properties of Mahan Aluminium Project, both present and future. ₹2,858 Crore (gross) is to be repaid in 16 quarterly instalments commencing from June 2026, ₹90 Crore (gross) is to be repaid in 40 quarterly instalments commencing from June 2020, refer Note 2 (c) (i).

ii. The term loan of ₹6,299 Crore (gross) is secured by a first ranking charge/mortgage/security interest in respect of all the moveable fixed assets and all the immovable properties of Aditya Aluminium Project both present and future. ₹6,299 Crore (gross) is to be repaid in 26 quarterly instalments commencing from May 2024, refer Note 2 (c) (ii).

(c) Foreign currency term loans from bank comprise of following:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Currency</th>
<th>Rate of Interest</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
<th>End of Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Tokyo Mitsubishi (BTMU)</td>
<td>USD</td>
<td>LIBOR 3M + 135 bps</td>
<td>301</td>
<td>299</td>
<td>277</td>
</tr>
<tr>
<td>Bank of Tokyo Mitsubishi (BTMU)</td>
<td>USD</td>
<td>LIBOR 3M + 135 bps</td>
<td>172</td>
<td>170</td>
<td>157</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>473</td>
<td>469</td>
<td>434</td>
</tr>
</tbody>
</table>
Foreign currency term loan pertains to loan from Bank of Tokyo Mitsubishi (BTMU) of USD 40 Millions and USD 22.79 Millions. BTMU loan is secured by a pari-passu first charge on all movable fixed assets of Mahan Aluminium, both present and future. The loans will be repaid in the single instalment at the end of the tenure, refer Note 2 (c) (i).

(d) Finance Lease Obligations:
In respect of finance lease obligations, future minimum lease payments and their present value are following:

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Obligation</td>
</tr>
<tr>
<td>Not later than one year</td>
<td>8</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>28</td>
</tr>
<tr>
<td>Later than five years</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>44</td>
</tr>
</tbody>
</table>

Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease obligations identified under the earlier Ind AS 17 Leases, have been reclassified and included under Lease Liability against ROU Assets which is presented at the face of the Balance Sheet, refer Note 51.

(e) Net Debt Reconciliation:

<table>
<thead>
<tr>
<th>Liabilities from Financing Activities</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current Borrowings</td>
</tr>
<tr>
<td>Balance as at 01/04/2018*</td>
<td>17,697</td>
</tr>
<tr>
<td>Cash Flows (Net)</td>
<td>(1,575)</td>
</tr>
<tr>
<td>Foreign Exchange Adjustments</td>
<td>26</td>
</tr>
<tr>
<td>Fair Value Changes, refer Note 27 - (c)</td>
<td>(50)</td>
</tr>
<tr>
<td>Debt Issuance Costs and Amortisation (Net)</td>
<td>39</td>
</tr>
<tr>
<td>Interest Expense **</td>
<td>1,414</td>
</tr>
<tr>
<td>Interest Paid **</td>
<td>(1,408)</td>
</tr>
<tr>
<td>Balance as at 31/03/2019*</td>
<td>16,143</td>
</tr>
<tr>
<td>Recognised on Adoption of Ind AS 116</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition - Right of Use Assets</td>
<td>-</td>
</tr>
<tr>
<td>Cash Flows (Net)</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Exchange Adjustments</td>
<td>39</td>
</tr>
<tr>
<td>Fair Value Changes, refer Note 27 (c)</td>
<td>(19)</td>
</tr>
<tr>
<td>Debt Issuance Costs and Amortisation (Net)</td>
<td>41</td>
</tr>
<tr>
<td>Interest Expense **</td>
<td>1,342</td>
</tr>
<tr>
<td>Interest Paid **</td>
<td>(1,347)</td>
</tr>
<tr>
<td>Other Changes/Reclassification - Modification/Reassessment</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 31/03/2020*</td>
<td>16,199</td>
</tr>
</tbody>
</table>

* Borrowings include Interest accrued on borrowings and current maturities of related borrowings.
** Interest expense and interest paid relates to borrowings and lease liabilities.
### 18B. Borrowings, Current

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Secured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans from Banks - (a) and (c)</td>
<td>1,115</td>
<td>108</td>
</tr>
<tr>
<td></td>
<td>1,115</td>
<td>108</td>
</tr>
<tr>
<td><strong>Unsecured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans from Banks - (d)</td>
<td>1,302</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency Loans from Indian Banks</td>
<td>1,368</td>
<td>597</td>
</tr>
<tr>
<td>Foreign currency Loans from Foreign Banks - (b)</td>
<td>3,599</td>
<td>2,404</td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>-</td>
<td>786</td>
</tr>
<tr>
<td>Other Borrowings</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>6,269</td>
<td>3,787</td>
</tr>
<tr>
<td></td>
<td>7,384</td>
<td>3,895</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

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

(b) Balance represents Buyers Credit from offshore branch.

(c) Secured Rupee Loan includes amount received from Banks under Special Banking Arrangement where banks pay on behalf of Government of India, amount related to Fertiliser Subsidy Receivables and Government of India pay directly to Banks.

(d) Rupee Loans from Banks represents loan taken to meet the Company's working capital requirements.

(e) Loan Details are as follow:

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Secured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans from Banks</td>
<td>INR 1,107</td>
<td>-</td>
</tr>
<tr>
<td>Rupee Loans from Banks</td>
<td>INR 8</td>
<td>108</td>
</tr>
<tr>
<td><strong>Unsecured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans from Banks</td>
<td>INR 1,302</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Currency Loans from Indian Banks</td>
<td>USD 1,368</td>
<td>597</td>
</tr>
<tr>
<td>Foreign Currency Loans from Foreign Banks</td>
<td>USD 3,599</td>
<td>2,404</td>
</tr>
<tr>
<td>Commercial Papers</td>
<td>INR 786</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>7,384</td>
<td>3,895</td>
</tr>
</tbody>
</table>

* Rate of interest pertains to previous year.
19. Trade Payables

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current</td>
<td>Current</td>
</tr>
<tr>
<td>Micro and Small Enterprises - (a)</td>
<td>-</td>
<td>17</td>
</tr>
<tr>
<td>Other than Micro and Small Enterprises - (b)</td>
<td>* 3,973</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>* 3,990</td>
<td>2</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Principal amount outstanding</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>(ii) Interest on Principal amount due</td>
<td>-</td>
<td>*</td>
</tr>
<tr>
<td>(iii) Interest and Principal amount paid beyond appointment day</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>(v) The amount of interest accrued and remaining unpaid at the end of the year</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.</td>
<td>1</td>
<td>*</td>
</tr>
</tbody>
</table>

(b) For details of trade payables to related parties, refer Note 44.

* Amount below rounding off convention.

20A. Other Financial Liabilities, Non-Current

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Liabilities, (refer Note 50)</td>
<td>141</td>
<td>63</td>
</tr>
<tr>
<td>Liability for Capital Expenditure</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Retention Amount Payable</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Security and Other Deposits</td>
<td>-</td>
<td>*</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

20B. Other Financial Liabilities, Current

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Liabilities (refer Note 50)</td>
<td>487</td>
<td>474</td>
</tr>
<tr>
<td>Derivatives matured, pending settlement</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Current maturities of Finance Lease Obligations - (b)</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Current maturities of Long-term Borrowings</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Interest Accrued but not due</td>
<td>568</td>
<td>566</td>
</tr>
<tr>
<td>Liability for Capital Expenditure</td>
<td>259</td>
<td>716</td>
</tr>
<tr>
<td>Retention Amount Payable</td>
<td>108</td>
<td>85</td>
</tr>
<tr>
<td>Security and Other Deposits</td>
<td>29</td>
<td>26</td>
</tr>
<tr>
<td>Investor Education and Protection Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unclaimed Dividends - (a)</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Deferred Operating Lease Obligations - (b)</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Temporary Book Overdraft</td>
<td>28</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,491</strong></td>
<td><strong>1,885</strong></td>
</tr>
</tbody>
</table>

(a) This amount does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund except ₹ * Crore (as at 31/03/2019 ₹ * Crore) which is held in abeyance due to legal cases pending.

(b) Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease obligations identified under the earlier Ind AS 17 Leases, have been reclassified and included under Lease Liability against ROU Assets which is presented at the face of the Balance Sheet. ROU assets are created for the long term lease agreements other than low value Leases and short term leases, due to this Deferred operating lease obligation is nil as at March 31, 2020, refer Note 51.

* Amount below rounding off convention.


<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Benefits (refer Note 43)</td>
<td>261</td>
<td>184</td>
</tr>
<tr>
<td>Asset Retirement Obligations - (a)</td>
<td>95</td>
<td>91</td>
</tr>
<tr>
<td>Environmental Liabilities - (a)</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Enterprise Social Commitment - (a)</td>
<td>133</td>
<td>129</td>
</tr>
<tr>
<td>Renewable Power Obligations - (a)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal Cases - (a)</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>Other Provisions - (a)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>497</strong></td>
<td><strong>410</strong></td>
</tr>
</tbody>
</table>

(a) The details of provisions movement are as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
<th>31/03/2019</th>
<th>31/03/2019</th>
<th>31/03/2019</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 01-Apr-18</td>
<td>87</td>
<td>19</td>
<td>146</td>
<td>264</td>
<td>141</td>
<td>12</td>
<td>669</td>
<td></td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>3</td>
<td>60</td>
<td>5</td>
<td>-</td>
<td>159</td>
<td>9</td>
<td>236</td>
<td></td>
</tr>
<tr>
<td>Reclassified</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>1</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision utilised during the year</td>
<td>(3)</td>
<td>(8)</td>
<td>(5)</td>
<td>-</td>
<td>(219)</td>
<td>-</td>
<td>(235)</td>
<td></td>
</tr>
<tr>
<td>Provision reversed during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(7)</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td>Unwinding of discount</td>
<td>4</td>
<td>1</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Balance as at 31-Mar-19</td>
<td><strong>91</strong></td>
<td><strong>72</strong></td>
<td><strong>155</strong></td>
<td><strong>288</strong></td>
<td><strong>82</strong></td>
<td><strong>14</strong></td>
<td><strong>702</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Environmental Liabilities

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

### Enterprise Social Commitments

Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area where new project is being setup. This is generally defined as a certain percentage of the total cost of the project. The outflow of economic resources is expected during FY 21 to FY 56. This has been appropriately discounted wherever necessary.

### Legal Cases

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

### Renewable Power Obligations

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

(d) Pursuant to the issuance of notification by Odisha Electricity Regulatory Commission (OERC) dated December 31, 2019, on pegging of renewable power obligation (RPO) by obligated units based on their year of commissioning, the Company has provided for RPO during the year at the reduced rate. Pending clarification and guidance on carry over of excess Renewable Energy Certificates (RECs) purchased by the Company, arising out of retrospective application of the said notification for the period prior to April 1, 2019, no adjustments has been made for the period prior to April 1, 2019.

22. Tax Expenses and Deferred Tax Liabilities (Net)

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Deferred Tax Liabilities</td>
<td>6,646</td>
</tr>
<tr>
<td>Deferred Tax Assets</td>
<td>(4,671)</td>
</tr>
<tr>
<td>Deferred Tax Liabilities (Net of Deferred Tax Assets) - (A)</td>
<td>1,975</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year ended</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>(a) Income tax expenses recognised in Statement of Profit and Loss</td>
<td></td>
</tr>
<tr>
<td>Current Tax</td>
<td></td>
</tr>
<tr>
<td>Current Income Tax Expenses for the year</td>
<td>151</td>
</tr>
<tr>
<td>Tax Adjustment for earlier years</td>
<td>(14)</td>
</tr>
<tr>
<td>Deferred Tax</td>
<td></td>
</tr>
<tr>
<td>Deferred Income Tax (benefits)/expenses for the year</td>
<td>346</td>
</tr>
<tr>
<td>MAT Credit Entitlement</td>
<td>(151)</td>
</tr>
<tr>
<td>Total Income Tax Expenses recognised in Statement of Profit and Loss for the year</td>
<td>195</td>
</tr>
<tr>
<td>(b) Reconciliation of estimated Income Tax Expenses at Indian Statutory Income Tax Rate to Income Tax Expenses reported in the Statement of Comprehensive Income</td>
<td></td>
</tr>
<tr>
<td>Profit before Income Taxes</td>
<td>952</td>
</tr>
<tr>
<td>Indian Statutory Income Tax Rate *</td>
<td>34.94%</td>
</tr>
<tr>
<td>Estimated Income Tax Expenses</td>
<td>333</td>
</tr>
<tr>
<td>Tax effect of adjustments to reconcile expected Income Tax expenses to reported Income Tax Expenses:</td>
<td></td>
</tr>
<tr>
<td>Income Exempt from Tax</td>
<td>(21)</td>
</tr>
<tr>
<td>Long-Term Capital (Gains)/Losses</td>
<td>(9)</td>
</tr>
<tr>
<td>Expenses not deductible in determining Taxable Profit</td>
<td>43</td>
</tr>
<tr>
<td>Tax Adjustment for earlier years</td>
<td>(14)</td>
</tr>
<tr>
<td>Total Income Tax Expenses recognised in the Statement of Profit and Loss</td>
<td>332</td>
</tr>
</tbody>
</table>

*Applicable Indian statutory tax rate for the years ended 31/03/2020 and 31/03/2019 is 34.944%. Further, the Company is required to pay Minimum Alternate Tax u/s 115JB of Income Tax Act, 1961.

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year ended</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>(c) Income Tax Expenses recognised in OCI</td>
<td></td>
</tr>
<tr>
<td>Remeasurement of Defined Benefit Obligations</td>
<td>(28)</td>
</tr>
<tr>
<td>Change in Fair Value of Debt and Unquoted Equity Instruments designated at FVTOCI</td>
<td>2</td>
</tr>
<tr>
<td>Cash Flow Hedges and Others</td>
<td>(376)</td>
</tr>
<tr>
<td>Total</td>
<td>(402)</td>
</tr>
</tbody>
</table>
(d) Income Tax Expense recognised directly in Equity

<table>
<thead>
<tr>
<th>Basis adjustment on Cash Flow Hedges and others</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>-</td>
</tr>
</tbody>
</table>

(e) Deferred Tax Balances presented in the Balance Sheet are as follows:

**Deferred Tax Assets**

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Assets</td>
<td>2,518</td>
<td>2,453</td>
</tr>
<tr>
<td>MAT Credit Entitlement</td>
<td>2,153</td>
<td>2,003</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,671</strong></td>
<td><strong>4,456</strong></td>
</tr>
</tbody>
</table>

**Deferred Tax Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Liabilities</td>
<td>(6,646)</td>
<td>(6,635)</td>
</tr>
<tr>
<td><strong>Net Deferred Tax Assets/(Liabilities)</strong></td>
<td>(1,975)</td>
<td>(2,179)</td>
</tr>
</tbody>
</table>

(f) Components and movement in Deferred Tax Assets and (Liabilities) as of and during the year ended:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred Income Tax Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Provisions deductible for tax purposes in future period</td>
<td>350</td>
</tr>
<tr>
<td>Tax Losses/Benefits carry forwards, Net #</td>
<td>2,235</td>
</tr>
<tr>
<td>Retirement Benefits and Compensated Absences</td>
<td>68</td>
</tr>
<tr>
<td>Deferred Income</td>
<td>230</td>
</tr>
<tr>
<td>MAT Credit Entitlement</td>
<td>1,628</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,511</strong></td>
</tr>
</tbody>
</table>

| **Deferred Income Tax Liabilities** |          |
| PP&E Depreciation and Intangible Amortisation | (5,963)  | (200)     | -          | -          | (6,163) |
| Cash Flow Hedges | (347)     | -         | (29)       | *          | (376) |
| Fair Value Measurements of Financial Instruments | (100)     | 73        | *          | -          | (27) |
| Others | (22)       | (47)      | -          | -          | (69) |
| **Total** | **(6,432)** | (174)    | (29)       | -          | **(6,635)** |

* Amount below rounding off convention.

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred Income Tax Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Provisions deductible for tax purposes in future period</td>
<td>367</td>
</tr>
<tr>
<td>Tax Losses/Benefits carry forwards, Net #</td>
<td>1,792</td>
</tr>
<tr>
<td>Retirement Benefits and Compensated Absences</td>
<td>71</td>
</tr>
<tr>
<td>Deferred Income</td>
<td>223</td>
</tr>
<tr>
<td>MAT Credit Entitlement</td>
<td>2,003</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,456</strong></td>
</tr>
</tbody>
</table>
Deferred Income Tax Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance as on 31.03.2019</th>
<th>Adjustment on Adoption of Ind AS 116</th>
<th>Opening Balance 01.04.2019</th>
<th>Recognised in the Statement of Profit and Loss</th>
<th>Recognised in Other Comprehensive Income</th>
<th>Deferred Tax on Basis Adjustment</th>
<th>As at 31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>(6,163)</td>
<td>(90)</td>
<td>(6,253)</td>
<td>(171)</td>
<td>-</td>
<td>-</td>
<td>(6,424)</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>(376)</td>
<td>(376)</td>
<td>-</td>
<td>-</td>
<td>(8)</td>
<td>(8)</td>
<td>-</td>
</tr>
<tr>
<td>Fair Value Measurements of Financial Instruments</td>
<td>(27)</td>
<td>(27)</td>
<td>(87)</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>(116)</td>
</tr>
<tr>
<td>Others</td>
<td>(69)</td>
<td>(69)</td>
<td>(29)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(98)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(6,635)</strong></td>
<td><strong>(90)</strong></td>
<td><strong>(6,725)</strong></td>
<td><strong>(287)</strong></td>
<td><strong>374</strong></td>
<td>(8)</td>
<td><strong>(6,646)</strong></td>
</tr>
</tbody>
</table>

Net Deferred Tax Assets/(Liabilities)  

- Deferred Income Tax Liabilities: **(2,179)**  
- Credit as at 31/03/2020: **5**  
- Net: **(2,174)**  
- Reclassified as at 31/03/2020: **(195)**  
- As at 31/03/2020: **402**  
- Net as at 31/03/2020: **(1,975)**

# Tax Losses/Benefits carry forwards represent deferred income tax asset on unabsorbed depreciation carried forward under the Income Tax Act, for which there is no expiry period.

(i) Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authorities.

(ii) The Company has not recognised deferred tax assets on the following long-term capital losses as presently it is not probable of recovery:

<table>
<thead>
<tr>
<th>Description</th>
<th>AY</th>
<th>Amount</th>
<th>Tax Impact</th>
<th>Year of Expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term Capital Loss</td>
<td>2012-13</td>
<td>55</td>
<td>13</td>
<td>AY 2020-21</td>
</tr>
<tr>
<td>Long-term Capital Loss</td>
<td>2013-14</td>
<td>38</td>
<td>9</td>
<td>AY 2021-22</td>
</tr>
<tr>
<td>Long-term Capital Loss</td>
<td>2015-16</td>
<td>29</td>
<td>7</td>
<td>AY 2023-24</td>
</tr>
<tr>
<td>Long-term Capital Loss</td>
<td>2016-17</td>
<td>34</td>
<td>8</td>
<td>AY 2024-25</td>
</tr>
<tr>
<td>Long-term Capital Loss</td>
<td>2017-18</td>
<td>901</td>
<td>210</td>
<td>AY 2025-26</td>
</tr>
</tbody>
</table>

Total: **1,057**

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

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

The Company is having carried forward unabsorbed depreciation, accumulated MAT credit and tax incentives to be availed/adjusted against future taxable profits. Based on the projections prepared by the management, including its plan for future capital expenditure for capacity enhancement, the Company has determined that exercising the option of lower rate will be beneficial only from April 1, 2037. The Company has assessed that the net deferred tax liability as at March 31, 2020 would get reversed within the period for which the Company is expected to continue to be in the existing tax regime Accordingly, the Company has not made any adjustments to reverse its deferred tax liability balances as at March 31, 2020.
23. Other Liabilities

<table>
<thead>
<tr>
<th>Customer Refund Liabilities - [(a) &amp; (refer Note 26)]</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td>Current</td>
<td>89</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statutory Dues Payable</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current</td>
<td>-</td>
<td>256</td>
</tr>
<tr>
<td>Current</td>
<td>256</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Income - (b)</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current</td>
<td>594</td>
<td>615</td>
</tr>
<tr>
<td>Current</td>
<td>21</td>
<td>21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Payables</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current</td>
<td>34</td>
<td>27</td>
</tr>
<tr>
<td>Current</td>
<td>24</td>
<td>120</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Totals</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>628</td>
<td>390</td>
<td>642</td>
</tr>
</tbody>
</table>

(a) Customer refund liabilities are recognised for discount payable to customers.
(b) Represents deferred income in respect of grant related to Export Promotion Capital Goods (EPCG).

24. Contract Liabilities

<table>
<thead>
<tr>
<th>Advance from Customers (refer Note 26)</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>158</td>
<td>126</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Balance at beginning of the year</th>
<th>126</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount received during the year against which revenue has not been recognized</td>
<td>146</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue recognized during the year</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Contract Liabilities at the beginning of the year</td>
<td>(114)</td>
<td></td>
</tr>
<tr>
<td>b) Performance Obligations satisfied in previous years</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Foreign Exchange gains and losses</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

| Balance at end of the year             | 158        |

* Amount below rounding off convention.

25. Income Tax Assets and Liabilities

<table>
<thead>
<tr>
<th>Income Tax Assets</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current Tax Assets (Net)</td>
<td>325</td>
<td>282</td>
</tr>
<tr>
<td>Current Tax Assets</td>
<td>-</td>
<td>1,424</td>
</tr>
<tr>
<td></td>
<td>325</td>
<td>1,706</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income Tax Liabilities (Net)</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tax Liabilities (Net)</td>
<td>997</td>
<td>972</td>
</tr>
<tr>
<td></td>
<td>997</td>
<td>972</td>
</tr>
</tbody>
</table>

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

Revenue from contracts with customers

<table>
<thead>
<tr>
<th></th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Sale of Products - (a)</td>
<td></td>
</tr>
<tr>
<td>Domestic Sales - (b)</td>
<td>28,539</td>
</tr>
<tr>
<td>Export Sales</td>
<td>11,013</td>
</tr>
<tr>
<td></td>
<td><strong>39,552</strong></td>
</tr>
<tr>
<td>Trade Sales</td>
<td>156</td>
</tr>
<tr>
<td>Sale of Services - (c)</td>
<td>122</td>
</tr>
<tr>
<td></td>
<td><strong>39,830</strong></td>
</tr>
<tr>
<td>Other Operating Revenues - (a) and (d)</td>
<td>412</td>
</tr>
<tr>
<td></td>
<td><strong>40,242</strong></td>
</tr>
</tbody>
</table>

Reconciliation of revenue recognised with contract price:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Price</td>
<td>39,554</td>
</tr>
<tr>
<td></td>
<td>45,915</td>
</tr>
</tbody>
</table>

Adjustments for:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refund Liabilities and discounts</td>
<td>(635)</td>
</tr>
<tr>
<td>Hedging Gain/ (Loss)</td>
<td>896</td>
</tr>
<tr>
<td>Others - Provisionally priced contracts</td>
<td>(128)</td>
</tr>
<tr>
<td></td>
<td><strong>40,830</strong></td>
</tr>
</tbody>
</table>

Revenue from Contracts with Customers

(a) Sales of Copper products and precious metals are accounted for provisionally pending finalization of price and quantity. Variations are accounted for in the period of settlement. Final price receivable on sale of above products for which provisional price was not finalized are realigned at year end forward LME/LMBA rate and is being presented as part of other operating revenue. Revenue from subsequent variation in price movement as at 31/03/2020 is loss of ₹ 1 Crore (as at 31/03/2019, gain of ₹ 43 Crore), including subsequent variation in price movement from trading sales of ₹ Nil Crore (as at 31/03/2019, gain of ₹ 20 Crore).

(b) Includes sale of Di-ammonium phosphate (DAP) including nutrient-based subsidy of Phosphorus (P) and Potassium (K) ₹ 234 Crore (year ended 31/03/2019 ₹ 311 Crore).

(c) Sale of services represents freight and insurance on exports which are identified as separate performance obligation under Ind AS 115.

(d) Includes Government Grant in the nature of sales related export incentives and other benefits of ₹ 318 Crore (year ended 31/03/2019 ₹ 381 Crore).

(e) The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

<table>
<thead>
<tr>
<th>Country</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>28,793</td>
</tr>
<tr>
<td>Outside India</td>
<td>1,646</td>
</tr>
</tbody>
</table>

(f) The Company recognises revenue at a point in time.
27. Other Income

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income (refer Note 47(A)(c))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Non-Current Investments</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>On Current Investments</td>
<td>36</td>
<td>66</td>
</tr>
<tr>
<td>On Others - (a)</td>
<td>139</td>
<td>344</td>
</tr>
<tr>
<td>Dividend Income (refer Note 47(A)(c))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Non-Current Investments - (b)</td>
<td>56</td>
<td>105</td>
</tr>
<tr>
<td>On Current Investments</td>
<td>-</td>
<td>*</td>
</tr>
<tr>
<td>Rent Income</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Liabilities no longer required written back</td>
<td>83</td>
<td>40</td>
</tr>
<tr>
<td>Gain/ (Loss) on Property, Plant and Equipment and Intangible Assets sold/ discarded (Net)</td>
<td>(16)</td>
<td>(26)</td>
</tr>
<tr>
<td>Gain/ (Loss) on Financial Investments Measured at FVTPL (Net)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On Sale of Financial Assets</td>
<td>96</td>
<td>490</td>
</tr>
<tr>
<td>On change of Fair Value of Financial Assets</td>
<td>249</td>
<td>(208)</td>
</tr>
<tr>
<td>Other Non-Operating Income (Net) - (c) and (d)</td>
<td>83</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td>739</td>
<td>940</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Interest Income on others includes ₹ 46 Crore (year ended 31/03/2019 ₹ 257 Crore) of interest received from Income Tax Department.

(b) Dividend Income on long-term investments includes ₹ 29 Crore (year ended 31/03/2019 ₹ 75 Crore) dividend received from subsidiary companies.

(c) Includes gain on modification of borrowings of ₹ 19 Crore (year ended 31/03/2019 ₹ 50 Crore) resulting from change in amount and timing of expected cash flow on term loans.

(d) Previous year number includes gain on withdrawal of Financial Guarantee given to Subsidiary of ₹ 62 Crore.

28. Cost of Materials Consumed

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Concentrate - (a)</td>
<td>14,243</td>
<td>17,692</td>
</tr>
<tr>
<td>Alumina</td>
<td>3,214</td>
<td>4,264</td>
</tr>
<tr>
<td>Bauxite</td>
<td>573</td>
<td>453</td>
</tr>
<tr>
<td>Caustic Soda</td>
<td>508</td>
<td>739</td>
</tr>
<tr>
<td>Calcined Petroleum Coke</td>
<td>1,469</td>
<td>1,758</td>
</tr>
<tr>
<td>Rock Phosphate</td>
<td>267</td>
<td>324</td>
</tr>
<tr>
<td>Others</td>
<td>2,349</td>
<td>2,017</td>
</tr>
<tr>
<td></td>
<td>22,623</td>
<td>27,247</td>
</tr>
</tbody>
</table>

(a) Purchase of copper concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the period of settlement. Final price payable on purchase of copper concentrate for which provisional price and quantity were not finalized during the year are realigned based on forward LME and LBMA rate. Impact on cost from subsequent variation in price movement for year ended 31/03/2020 was gain of ₹ 217 Crore (year ended 31/03/2019 loss of ₹ 158 Crore).

(b) Refer Note 36, for details of freight expenses.
29. Trade Purchases

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Materials Purchase - (a)</td>
<td>256</td>
</tr>
</tbody>
</table>

(a) Includes gain on realignment of ₹ 6 Crore for year ended 31/03/2020 (year ended 31/03/2019 loss ₹ 20 Crore) based on forward LBMA/LME rates for provisionally priced trade purchases.


<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Opening Inventories</td>
<td></td>
</tr>
<tr>
<td>Work-in-Progress</td>
<td>5,340</td>
</tr>
<tr>
<td>Finished Goods</td>
<td>719</td>
</tr>
<tr>
<td>Stock-in-Trade</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>6,059</td>
</tr>
<tr>
<td>Less: Closing Inventories</td>
<td></td>
</tr>
<tr>
<td>Work-in-Progress</td>
<td>4,595</td>
</tr>
<tr>
<td>Finished Goods</td>
<td>1,337</td>
</tr>
<tr>
<td>Stock-in-Trade</td>
<td>127</td>
</tr>
<tr>
<td></td>
<td>6,059</td>
</tr>
<tr>
<td>Net Change</td>
<td>*</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

Details of inventories under broad heads are given below:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td></td>
<td>31/03/2019</td>
</tr>
<tr>
<td>Work-in-Progress</td>
<td>As at</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Alumina</td>
<td>342</td>
</tr>
<tr>
<td>Aluminium and Aluminium Products</td>
<td>883</td>
</tr>
<tr>
<td>Copper and Copper Products</td>
<td>1,764</td>
</tr>
<tr>
<td>Precious Metals</td>
<td>824</td>
</tr>
<tr>
<td>Others</td>
<td>782</td>
</tr>
<tr>
<td></td>
<td>4,595</td>
</tr>
</tbody>
</table>

(a) Others include mainly inventories of own mined coal, anode, soda in process and other materials.

(b) Changes in inventory with respect to Work in progress is ₹ (745) Crore (year ended 31/03/2019 ₹ 155 Crore), Finished Goods is ₹ 618 Crore (year ended 31/03/2019 ₹ 227 Crore) and Stock-in-Trade ₹ 127 Crore (year ended 31/03/2019 ₹ Nil).
31. Employee Benefits Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>1.526</td>
</tr>
<tr>
<td>Post-Employment Benefits:</td>
<td></td>
</tr>
<tr>
<td>- Contribution to Provident Fund and Other Defined Contribution Funds</td>
<td>110</td>
</tr>
<tr>
<td>(refer Note 43)</td>
<td></td>
</tr>
<tr>
<td>- Gratuity and Other Defined Benefit Plans (refer Note 43)</td>
<td>109</td>
</tr>
<tr>
<td>- Employee Share-Based Payments (refer Note 42)</td>
<td></td>
</tr>
<tr>
<td>- Equity-settled share-based payment</td>
<td>27</td>
</tr>
<tr>
<td>- Cash-settled share-based payment</td>
<td>10</td>
</tr>
<tr>
<td>Employee Welfare Expenses</td>
<td>166</td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under</td>
<td>1,922</td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

**Impact of Hon’ble Supreme Court judgment on computation of provident fund contribution.**

The Hon’ble Supreme Court of India (“SC”) by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution.

The Company has given effect of the above judgement effective March 1, 2019. This does not have any material impact on the Financial Statements.

32. Power and Fuel

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power and Fuel Expenses - (a)</td>
<td>6,994</td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development</td>
<td>6,937</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Refer Note 36, for details of freight expenses.

33. Finance Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Expenses on Financial Liabilities not at FVTPL - (a) and (d)</td>
<td>1,619</td>
</tr>
<tr>
<td>(Gain)/ Loss on Foreign Currency Transactions and Translation (Net)</td>
<td>18</td>
</tr>
<tr>
<td>Interest Expenses for Leasing Arrangements - (e)</td>
<td>25</td>
</tr>
<tr>
<td>Other Borrowing Costs - (b)</td>
<td>18</td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development - (c)</td>
<td>1683</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Interest expenses include ₹ * Crore (year ended 31/03/2019 ₹ 1 Crore) paid to Income Tax Department.

(b) Mainly includes unwinding of discount on Enterprise Social Commitment and Asset Retirement Obligation and Finance Lease Obligations.

(c) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to general borrowings.

(d) Includes difference between effective interest rate and contracted interest rate of ₹ 41 Crore (year ended 31/03/2019 ₹ 39 Crore) mainly from amortisation of debt issuance cost and modification of in borrowings.
NOTES FORMING PART OF THE
STANDALONE FINANCIAL STATEMENTS

(e) Subsequent to introduction of Ind AS 116 Leases, the Company has recognized Long-term leases as ROU Assets and created Lease Obligation representing Present Value of future minimum lease payment. The unwinding of such obligation is recognized as Interest Expenses. Following transitional provision under Ind AS 116 Leases, previous year numbers have not been reclassified.

* Amount below rounding off convention.

34. Depreciation and Amortisation

<table>
<thead>
<tr>
<th>Depreciation and Amortisation</th>
<th>` in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Depreciation on Property, Plant and Equipment</td>
<td>1,583</td>
</tr>
<tr>
<td>Depreciation on Right of Use Assets</td>
<td>72</td>
</tr>
<tr>
<td>Depreciation on Investment Properties</td>
<td>*</td>
</tr>
<tr>
<td>Amortisation of Intangible Assets</td>
<td>58</td>
</tr>
<tr>
<td><strong>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development</strong></td>
<td><strong>5</strong></td>
</tr>
<tr>
<td><strong>Total Depreciation and Amortisation</strong></td>
<td><strong>1,713</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

35. Impairment Loss on Financial Assets (Net)

<table>
<thead>
<tr>
<th>Impairment Loss on Financial Assets (Net)</th>
<th>` in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Provision for Doubtful Debts, Loans and Advances / (written back) (Net)</td>
<td>37</td>
</tr>
<tr>
<td>Bad Debts Loans and Advances / (written back) (Net)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Impairment Loss on Financial Assets (Net)</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>

36. Other Expenses

<table>
<thead>
<tr>
<th>Other Expenses</th>
<th>` in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Consumption of Stores and Spares</td>
<td>975</td>
</tr>
<tr>
<td>Repairs to Buildings</td>
<td>100</td>
</tr>
<tr>
<td>Repairs to Machinery</td>
<td>614</td>
</tr>
<tr>
<td>Rates and Taxes</td>
<td>21</td>
</tr>
<tr>
<td>Equipment and Material Handling Expenses</td>
<td>297</td>
</tr>
<tr>
<td>Rental Charges [refer note 51]</td>
<td>-</td>
</tr>
<tr>
<td>Leases Expenses - (c)</td>
<td>84</td>
</tr>
<tr>
<td>Insurance Charges</td>
<td>79</td>
</tr>
<tr>
<td>Payment to Auditors - (a)</td>
<td>4</td>
</tr>
<tr>
<td>Research and Development</td>
<td>29</td>
</tr>
<tr>
<td>Freight and Forwarding Expenses (Net) - (b) and (d)</td>
<td>773</td>
</tr>
<tr>
<td>Donation - (e)</td>
<td>45</td>
</tr>
<tr>
<td>Directors' Fees and Commission</td>
<td>3</td>
</tr>
<tr>
<td>(Gain)/Loss on Foreign Currency Transactions (Net)</td>
<td>81</td>
</tr>
<tr>
<td>(Gain)/Loss in Change in Fair Value of Derivatives (Net)</td>
<td>(55)</td>
</tr>
<tr>
<td>Premium on Coal Extraction</td>
<td>250</td>
</tr>
<tr>
<td>Miscellaneous Expenses - (f)</td>
<td>1,459</td>
</tr>
<tr>
<td><strong>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development</strong></td>
<td><strong>14</strong></td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td><strong>4,759</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
(a) Details of Payment to Auditors are given below:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory Audit Fees</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other Services</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Reimbursement of Out-of-Pocket Expenses</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Cost Audit Fee and Expenses</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

(b) Freight and forwarding expenses is net of freight subsidy of ₹ 25 Crore (year ended 31/03/2019 ₹ 31 Crore) on sale of DAP.

(c) Lease payments not recognised as a ROU liability.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term Leases</td>
<td>79</td>
</tr>
<tr>
<td>Variable Lease Payments</td>
<td>4</td>
</tr>
<tr>
<td>Leases of Low Value Assets</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84</strong></td>
</tr>
</tbody>
</table>

(d) Freight expenses amounting to ₹ 156 Crore (year ended 31/03/2019 of ₹ 204 Crore) is included in Cost material consumed and ₹ 79 Crore (year ended 31/03/2019 of ₹ 175 Crore) is included in Power and Fuel. (refer Notes 28 and 32).

(e) Donation includes ₹ 29 Crore (year ended 31/03/2019 of ₹ 13 Crore) paid towards political donation, out of which ₹ 10 Crore (year ended 31/03/2019 of ₹ 13 Crore) paid to AB General Electoral Trust (erstwhile General Electoral Trust) and ₹ 19 Crore through Electoral Bond.

(f) Miscellaneous expenses include ₹ * Crore (year ended 31/03/2019 ₹ * Crore) paid to a firm of solicitors in which one of the Directors of the Company is a partner.

* Amount below rounding off convention.

37. Exceptional Income/ (Expenses) (Net)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional Income</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Exceptional (Expenses)</td>
<td>(89)</td>
<td>-</td>
</tr>
</tbody>
</table>

Details of Exceptional Income/(Expenses) as follows:

<table>
<thead>
<tr>
<th>Nature</th>
<th>Brief Details</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slump Sale</td>
<td>Profit on sale of aluminium foil manufacturing unit situated at Kollur, Andhra Pradesh on a slump sale basis</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Restoration Expenses</td>
<td>Expenses incurred towards restoration of Red Mud Pond and other related expenses at alumina refinery at Muri, Jharkhand</td>
<td>(89)</td>
<td>-</td>
</tr>
</tbody>
</table>
### 38. Other Comprehensive Income - Items that will not be reclassified to profit and loss

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
<td>31/03/2019</td>
</tr>
<tr>
<td>Remeasurement of Defined Benefit Obligation</td>
<td>(152)</td>
<td>(4)</td>
</tr>
<tr>
<td>Change in Fair Value of Investments in Associates as FVTOCI - (a)</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Change in Fair Value of Equity Instruments as FVTOCI - (b)</td>
<td>(2,586)</td>
<td>(1,744)</td>
</tr>
<tr>
<td>Income Tax Effect on above</td>
<td>28</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(2,706)</strong></td>
<td><strong>(1,738)</strong></td>
</tr>
</tbody>
</table>

(a) Refer Note 6

(b) Refer Note 7A

### 39. Other Comprehensive Income - Items that will be reclassified to profit and loss

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
<td>31/03/2019</td>
</tr>
<tr>
<td>Change in Fair Value of Debt Instruments designated as FVTOCI - (a)</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Effective Portion of Cash flow Hedges</td>
<td>(484)</td>
<td>307</td>
</tr>
<tr>
<td>Cost of Hedging</td>
<td>(589)</td>
<td>(223)</td>
</tr>
<tr>
<td>Income Tax Effect on above</td>
<td>374</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(694)</strong></td>
<td><strong>57</strong></td>
</tr>
</tbody>
</table>

(a) Refer Notes 7A and 7B

**Income Tax Expense Recognised in OCI**

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
<td>31/03/2019</td>
</tr>
<tr>
<td>Items that will not be reclassified to profit and loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of Defined Benefit Obligations</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>Change in Fair Value of Equity Instruments Designated as FVTOCI</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Items that will be reclassified to profit and loss</th>
<th>₹ in Crore</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Fair Value of Debt Instruments Designated as FVTOCI</td>
<td>(2)</td>
<td>(1)</td>
</tr>
<tr>
<td>Effective Portion of Cash Flow Hedges</td>
<td>170</td>
<td>(107)</td>
</tr>
<tr>
<td>Cost of Hedging</td>
<td>206</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>374</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

### 40. Earnings Per Share (EPS)

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
<td>31/03/2019</td>
</tr>
<tr>
<td>Profit/ (Loss) attributable to Equity Shareholders</td>
<td>620</td>
<td>1,205</td>
</tr>
</tbody>
</table>

**Weighted average numbers of Equity Shares for calculation of EPS:**

- Weighted-average numbers of Equity Shares for Basic EPS: 2,223,957,744, 2,227,573,655
- Dilutive impact of Employee Stock Option Scheme: 2,224,948,906, 2,228,700,383

<table>
<thead>
<tr>
<th>Face Value per Equity Share (₹)</th>
<th>£ in Crore</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic (₹)</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Diluted (₹)</td>
<td>2.79</td>
<td>5.41</td>
</tr>
</tbody>
</table>

Treasury shares are excluded from weighted-average numbers of Equity Shares used as a denominator in the calculation of EPS.
Stock options granted to the employees under various ESOP schemes are considered to be potential Equity Shares. They have been included in the determination of diluted earnings per share to the extent they are dilutive. The stock options have not been included in the determination of basic earnings per share. For details relating to stock options, refer Note 42.

41. Segment Reporting

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108), no disclosure related to the segment is presented in the Standalone Financial Statements.

42. Employee Share-based Payments

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. At present, following employee share-based payment schemes are in operation, details of which are given below:

(I) **Employee Stock Option Scheme 2006 ("ESOS 2006")**:

The shareholders of the Company have approved on 23/01/2007 an Employee Stock Option Scheme 2006 ("ESOS 2006"), under which the Company may grant up to 3,475,000 stock options to its permanent employees in the management cadre, whether working in India or out of India, including Managing and the Whole-time Directors of the Company, in one or more tranches. The ESOS 2006 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). Each stock option, when exercised, would be converted into one fully paid-up Equity Share of ₹ 1/- each of the Company. The stock options will vest in 4 equal annual instalments after completion of one year of service from the date of grant. The exercise price shall be average price of the Equity Shares of the Company in the immediate preceding seven day period on the date prior to the date on which the ESOS compensation committee finalises the specific numbers of Options to be granted to the employees discounted by such percentage not exceeding 30% (thirty percent) to be determined by ESOS Compensation Committee in the best interest of the various stake holders in the prevailing market conditions. The maximum period of exercise is 5 years from the date of vesting and these stock options do not carry rights to dividends or voting rights till the date of exercise.

Further, forfeited/ expired stock options are also available for grant. Further, on 23/09/2011 the ESOS 2006 has been partially modified and by which the Company may grant 6,475,000 stock options to its eligible employees.

Under the ESOS 2006, till 31/03/2020 the Committee has granted 4,328,159 stock options (31/03/2019: 4,328,159 stock options) to its eligible employees out of which 1,819,941 stock options (31/03/2019: 1,819,941 stock options) has been forfeited/ expired and are available for grant as per term of the Scheme.

A summary of movement of the stock options and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding at beginning of the year</td>
<td>816,371 118.71</td>
<td>868,701 118.69</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>- -</td>
<td>- -</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>- -</td>
<td>- -</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(359,415) 118.69</td>
<td>(52,330) 118.35</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>- -</td>
<td>- -</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>456,956 118.73</td>
<td>816,371 118.71</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>456,956 118.73</td>
<td>816,371 118.71</td>
</tr>
</tbody>
</table>

Under ESOS 2006, as at 31/03/2020 the range of exercise prices for stock options outstanding was ₹ 118.73 (31/03/2019: ₹ 118.35 to ₹ 118.73) whereas the weighted average remaining contractual life of the stock options outstanding was 1.81 years (31/03/2019: 1.96 years).
(II) Employee Stock Option Scheme 2013 (“ESOS 2013”):
The shareholders of the Company have approved on 10/09/2013 an Employee Stock Option Scheme 2013 (“ESOS 2013”), under which the Company may grant up to 5,462,000 Options (comprising of Stock Options and/ or Restricted Stock Units (RSUs)) to the permanent employees in the management cadre and Managing and Whole-time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company (“the Committee”). The stock options exercise price would be determined by the Committee, whereas the RSUs exercise price shall be the face value of the Equity Shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up Equity Share of ` 1/- each of the Company upon payment of exercise price during exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/ RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options and RSUs are also available for grant.

In terms of ESOS 2013, till 31/03/2020 the Committee has granted 2,250,754 stock options and 2,252,254 RSUs (31/03/2019: 2,250,754 stock options and 2,252,254 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 216,409 stock options and 193,287 RSUs (31/03/2019: 231,224 stock options and 248,954 RSUs) have been forfeited/ expired and are available for grant as per term of the Scheme.

A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>WAEP</th>
<th>Number</th>
<th>WAEP</th>
<th>Number</th>
<th>WAEP</th>
<th>Number</th>
<th>WAEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding at beginning of the year</td>
<td>601,270</td>
<td>121.89</td>
<td>312,937</td>
<td>1.00</td>
<td>968,665</td>
<td>119.45</td>
<td>460,555</td>
<td>1.00</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Re-instated during the year</td>
<td>41,722</td>
<td>119.45</td>
<td>55,667</td>
<td>1.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>(17,541)</td>
<td>119.45</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(200,141)</td>
<td>115.37</td>
<td>(132,886)</td>
<td>1.00</td>
<td>(367,395)</td>
<td>115.45</td>
<td>(147,618)</td>
<td>1.00</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>(9,366)</td>
<td>119.45</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>415,944</td>
<td>124.82</td>
<td>235,718</td>
<td>1.00</td>
<td>601,270</td>
<td>121.89</td>
<td>312,937</td>
<td>1.00</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>396,712</td>
<td>122.82</td>
<td>235,718</td>
<td>1.00</td>
<td>515,759</td>
<td>119.43</td>
<td>235,955</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Under ESOS 2013, the range of exercise prices for stock options outstanding as at 31/03/2020 was ` 73.60 to ` 167.15 (31/03/2019: ` 73.60 to ` 167.15) whereas exercise price in case of RSUs was ` 1.00 (31/03/2019: ` 1.00). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2020 was 2.30 years and 2.57 years, respectively (31/03/2019: 2.78 years and 3.69 years, respectively).

(III) Employee Stock Option Scheme 2018 (“ESOS 2018”):
The shareholders of the Company have approved on 21/09/2018 an Employee Stock Option Scheme 2018 (“ESOS 2018”), formulated by the Company, under which the Company may grant not more than 13,957,302 [Stock Options and Restricted Stock Units (‘RSUs’)] to its permanent employees of the Company in management cadre including Managing and the Whole-time Director of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company (“the Committee”) and the Hindalco Employees Welfare Trust (“Trust”). The stock options exercise price would be determined by the Committee whereas the RSU exercise price shall be the face value of the Equity Shares of the company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up Equity Share of ` 1/- each of the Company upon payment of exercise price during the exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options and RSUs are also available for grant.
In terms of ESOS 2018, till 31/03/2020 the Committee has granted 4,607,279 stock options and 1,348,492 RSUs (31/03/2019: 4,299,563 stock options and 1,276,137 RSUs) to the eligible employees of the Company and some of its subsidiary companies. A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stock Options</td>
<td>RSUs</td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>WAEP</td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>4,299,563</td>
<td>218.75</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>307,716</td>
<td>207.21</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>(158,785)</td>
<td>218.80</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>4,448,494</td>
<td>217.95</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>1,063,724</td>
<td>218.74</td>
</tr>
</tbody>
</table>

Under ESOS 2018, the range of exercise prices for stock options outstanding as at 31/03/2020 was ₹ 159.30 to ₹ 218.80 (31/03/2019 was ₹ 205.45 to ₹ 218.80) whereas exercise price in case of RSUs was ₹ 1 (31/03/2019: ₹ 1.00). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2020 was 6.26 years and 6.81 years, respectively (31/03/2019 was 7.20 years and 7.76 years, respectively).

The fair values at grant date of stock options granted during the year ended 31/03/2020 was ₹ 53.05 to ₹ 97.09 (31/03/2019 was ₹ 83.28 to ₹ 115.23) and fair values in case of RSUs was ₹ 150.68 to ₹ 205.48 (31/03/2019 was ₹ 198.57 to ₹ 208.86), respectively. The fair valuation has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest for terms of options.

The details of options granted, the key assumptions for Fair Value on the date of grant are as under:

**FY 2019-20**

<table>
<thead>
<tr>
<th></th>
<th>Tranche III</th>
<th>Tranche IV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stock Options</td>
<td>RSUs</td>
</tr>
<tr>
<td>Grant date</td>
<td>27/12/2019</td>
<td>215.00</td>
</tr>
<tr>
<td>Exercise price (₹)</td>
<td>215.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Expected terms of options granted (years)</td>
<td>4.43 years - 7.43 years</td>
<td>8 years</td>
</tr>
<tr>
<td>Share price on grant date (₹)</td>
<td>215.45</td>
<td>215.45</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>27.95%</td>
<td>27.95%</td>
</tr>
<tr>
<td>Expected dividend (%)</td>
<td>0.56%</td>
<td>0.56%</td>
</tr>
<tr>
<td>Risk-free interest rate (%)</td>
<td>6.44% - 6.84%</td>
<td>6.84%</td>
</tr>
</tbody>
</table>

**FY 2018-19**

<table>
<thead>
<tr>
<th></th>
<th>Tranche I</th>
<th>Tranche II</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stock Options</td>
<td>RSUs</td>
</tr>
<tr>
<td>Grant date</td>
<td>10/12/2018</td>
<td>218.80</td>
</tr>
<tr>
<td>Exercise price (₹)</td>
<td>218.80</td>
<td>1.00</td>
</tr>
<tr>
<td>Expected terms of options granted (years)</td>
<td>4.43 years - 7.43 years</td>
<td>8 years</td>
</tr>
<tr>
<td>Share price on grant date (₹)</td>
<td>218.80</td>
<td>218.80</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>37.48%</td>
<td>37.48%</td>
</tr>
<tr>
<td>Expected dividend (%)</td>
<td>0.55%</td>
<td>0.55%</td>
</tr>
<tr>
<td>Risk-free interest rate (%)</td>
<td>7.36% - 7.51%</td>
<td>7.57%</td>
</tr>
</tbody>
</table>

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted which is indicative of future periods and which may not necessarily be the actual outcome.
(IV) Stock Appreciation Rights (‘SAR 2013’):
The Company had granted 956,522 Share Appreciation Rights ("SAR 2013 ") to its eligible employee to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant (i.e. 09/10/2013). The SAR 2013 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The SAR 2013 have performance linked vesting conditions which are decided by the committee and are cash settled. The options shall lapse in case of performance-linked vesting conditions are not met. The Exercise Price of the SAR is ₹ 118.73. The SAR can be exercised within 3 years from the date of vesting or within 6 years from the date of grant, whichever is earlier.

A summary of movement of SAR and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>WAEP</td>
<td>Number</td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>478,261</td>
<td>118.73</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(478,261)</td>
<td>118.73</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The fair values per SAR as at 31/03/2019 was ₹ 90.15. The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest for terms of Option. The assumptions used for fair valuation are given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant date</td>
<td>9/10/2013</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>31/3/2019</td>
</tr>
<tr>
<td>Exercise price (₹)</td>
<td>118.73</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>36.88%</td>
</tr>
<tr>
<td>Expected dividend (%)</td>
<td>0.58%</td>
</tr>
<tr>
<td>Risk-Free interest rate (%)</td>
<td>6.17%</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for the SAR as at 31/03/2019 is 0.53 years.

(V) Stock Appreciation Rights (‘SAR 2018’):
The Company has granted 44,668 Option SAR and 11,333 RSU SAR under the Share Appreciation Rights Scheme 2018 (“SAR 2018”) to its eligible employees. Option SAR to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant and RSU SAR will vest upon completion of three years of services from the date of grant. The SAR 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company (“the Committee”). The SAR 2018 have performance-linked vesting conditions which are decided by the Committee and are cash settled. The options shall lapse in case of performance-linked vesting conditions are not met. The Exercise Price of the Option SAR is ₹ 218.80 and RSU SAR is ₹ 1.

A summary of movement of SAR and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Option SAR</td>
</tr>
<tr>
<td>Number</td>
<td>WAEP</td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>44,668</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>44,668</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>11,167</td>
</tr>
</tbody>
</table>
The fair values per Option SAR as at 31/03/2020 was ₹ 6.62 to ₹ 19.87 and for RSU SAR as at 31/03/2020 was ₹ 89.14 to ₹ 89.46. The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest. The assumptions used for fair valuation for Option SAR and RSU SAR are given below:

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Grant date</th>
<th>Valuation Date</th>
<th>Exercise price (₹)</th>
<th>Expected volatility (%)</th>
<th>Expected dividend (%)</th>
<th>Risk-Free interest rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/03/2020</td>
<td>09/08/2019</td>
<td>31/03/2020</td>
<td>218.80</td>
<td>41.65%</td>
<td>1.25%</td>
<td>5.29%</td>
</tr>
<tr>
<td>31/03/2020</td>
<td>09/08/2019</td>
<td>31/03/2020</td>
<td>1.00</td>
<td>41.65%</td>
<td>1.25%</td>
<td>- 6.09%</td>
</tr>
<tr>
<td>31/03/2020</td>
<td>04/03/2020</td>
<td>31/03/2020</td>
<td>1.00</td>
<td>41.65%</td>
<td>1.25%</td>
<td>6.09%</td>
</tr>
<tr>
<td>31/03/2020</td>
<td>31/03/2020</td>
<td>31/03/2020</td>
<td>1.00</td>
<td>41.65%</td>
<td>1.25%</td>
<td>6.31%</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for the Option SAR as at 31/03/2020 is 2.70 to 5.70 years and RSU SAR as at 31/03/2020 is 4.70 to 4.99 years.

The total intrinsic value at the end of the year of the vested Option SAR and RSU SAR is ₹ Nil (31/03/2019 ₹ 4 Crore).

**Effect of Employee Share-Based Payment Transactions on Profit or Loss for the period and on financial position:**

For the year ended 31/03/2020, the Company recognised total expenses of ₹ 28 Crore (31/03/2019 ₹ 20 Crore) related to equity-settled and cash-settled share based transactions. During the year ended 31/03/2020, the Company has allotted 692,442 fully paid-up Equity Share of ₹ 1/- each of the Company (31/03/2019 567,343) on exercise of equity settled options for which the Company has realised ₹ 6 Crore (31/03/2019 ₹ 5 Crore) as exercise prices. The weighted average share price at the date of exercise of ESOS 2006 was ₹ 179.07 per share (31/03/2019 ₹ 234.44 per share) and ESOS 2013 was ₹ 189.67 per share (31/03/2019 ₹ 221.40 per share).

The Company has received ₹ 1 Crore (31/03/2019 ₹ * Crore) from Utkal Alumina International Limited and Hindalco - Almex Aerospace Limited (Subsidiaries) towards the grant of 88,676 Stock Options and 43,261 RSUs under ESOS 2018 which is netted off from Employee Share-Based Payments Expenses.

* Amount below rounding off convention.

**43. Employee Benefits Obligations**

**A. Defined Benefit Plans:**

Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: While calculating the defined benefit obligation a discount rate based on government bonds yields of matching tenure is used to arrive at the present value of future obligations. If the bond yield falls, the defined benefit obligation will tend to increase and plan assets will decrease.

ii. Salary Risk: Higher than expected increases in salary will increase the defined benefit obligation.

iii. Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**(I) Gratuity Plans**

The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972.
### (a) Change in Defined Benefit Obligations (DBO)

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBO at the beginning of the year</td>
<td>962</td>
<td>895</td>
</tr>
<tr>
<td>Current service cost</td>
<td>52</td>
<td>57</td>
</tr>
<tr>
<td>Interest Cost on the DBO</td>
<td>71</td>
<td>65</td>
</tr>
<tr>
<td>Actuarial (gain)/ loss experience</td>
<td>28</td>
<td>(6)</td>
</tr>
<tr>
<td>Actuarial (gain)/ loss financial assumption</td>
<td>44</td>
<td>-</td>
</tr>
<tr>
<td>Benefits paid directly by Company</td>
<td>(34)</td>
<td>(21)</td>
</tr>
<tr>
<td>Benefits paid from plan assets</td>
<td>(29)</td>
<td>(28)</td>
</tr>
<tr>
<td>DBO at the end of the year</td>
<td>1,094</td>
<td>962</td>
</tr>
</tbody>
</table>

### (b) Change in Fair Value of Plan Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value of Plan Assets at the beginning of the year</td>
<td>785</td>
<td>724</td>
</tr>
<tr>
<td>Interest Income on plan assets</td>
<td>61</td>
<td>55</td>
</tr>
<tr>
<td>Employer’s contributions</td>
<td>66</td>
<td>43</td>
</tr>
<tr>
<td>Return on plan assets greater/(lesser) than discount rate</td>
<td>1</td>
<td>(9)</td>
</tr>
<tr>
<td>Benefits Paid</td>
<td>(29)</td>
<td>(28)</td>
</tr>
<tr>
<td>Fair Value of Plan Assets at the end of the year</td>
<td>884</td>
<td>785</td>
</tr>
</tbody>
</table>

### (c) Development of Net Balance Sheet Position

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBO, funded</td>
<td>(1,003)</td>
<td>(880)</td>
</tr>
<tr>
<td>Fair Value of Plan Assets</td>
<td>884</td>
<td>785</td>
</tr>
<tr>
<td>Funded Status/(surplus/(deficit))</td>
<td>(119)</td>
<td>(95)</td>
</tr>
<tr>
<td>DBO, unfunded</td>
<td>(91)</td>
<td>(62)</td>
</tr>
<tr>
<td>Net defined benefit asset/(liability) recognised in the Balance Sheet</td>
<td>(210)</td>
<td>(177)</td>
</tr>
</tbody>
</table>

### (d) Reconciliation of Net Balance Sheet Position

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Defined benefit asset/(Liability)at beginning of the year</td>
<td>(177)</td>
<td>(171)</td>
</tr>
<tr>
<td>Service cost</td>
<td>(52)</td>
<td>(57)</td>
</tr>
<tr>
<td>Net Interest on net defined benefit liability/(asset)</td>
<td>(10)</td>
<td>(11)</td>
</tr>
<tr>
<td>Amount recognised in OCI</td>
<td>(71)</td>
<td>(3)</td>
</tr>
<tr>
<td>Employer’s contributions</td>
<td>66</td>
<td>43</td>
</tr>
<tr>
<td>Benefit paid directly by Company</td>
<td>34</td>
<td>22</td>
</tr>
<tr>
<td>Net Defined benefit asset/(Liability)at the end of the year</td>
<td>(210)</td>
<td>(177)</td>
</tr>
</tbody>
</table>

### (e) Expense recognised during the year

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Service cost</td>
<td>52</td>
<td>57</td>
</tr>
<tr>
<td>Net Interest on net defined benefit liability/(asset)</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Net Gratuity Cost</td>
<td>62</td>
<td>68</td>
</tr>
</tbody>
</table>
### (f) Other Comprehensive Income (OCI)

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial (Gain)/Loss due to DBO experience</td>
<td>28</td>
<td>(6)</td>
</tr>
<tr>
<td>Actuarial (Gain)/Loss due to DBO assumption changes</td>
<td>44</td>
<td>-</td>
</tr>
<tr>
<td>Actuarial (Gain)/Loss arising during the period</td>
<td>72</td>
<td>(6)</td>
</tr>
<tr>
<td>Return on Plan Assets (greater)/lesser than discount rate</td>
<td>(1)</td>
<td>9</td>
</tr>
<tr>
<td>Actuarial (Gain)/Loss recognised in OCI</td>
<td>71</td>
<td>3</td>
</tr>
</tbody>
</table>

### (g) Defined Benefit Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Cost</td>
<td>52</td>
<td>57</td>
</tr>
<tr>
<td>Net Interest on net defined benefit liability/(asset)</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Actuarial (gain)/loss recognised in OCI</td>
<td>71</td>
<td>3</td>
</tr>
<tr>
<td>Defined Benefit Cost</td>
<td><strong>133</strong></td>
<td><strong>71</strong></td>
</tr>
</tbody>
</table>

### (h) Principal Actuarial Assumptions

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)</td>
<td>6.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Salary escalation rate</td>
<td>7.5%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Weighted average duration of the defined benefit obligation</td>
<td>9 years</td>
<td>9 years</td>
</tr>
<tr>
<td>Mortality Rate</td>
<td>Indian Assured Lives Mortality 2006-08 Ultimate</td>
<td></td>
</tr>
</tbody>
</table>

### (i) Non-Current and Current portion of Defined Benefit Obligations (Refer Note 21)

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion</td>
<td>(3)</td>
<td>(5)</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>(207)</td>
<td>(172)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(210)</strong></td>
<td><strong>(177)</strong></td>
</tr>
</tbody>
</table>

### (j) Sensitivity analyses

Sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

<table>
<thead>
<tr>
<th>Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount Rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect on DBO due to 1% increase in discount rate</td>
<td>(84)</td>
<td>(73)</td>
</tr>
<tr>
<td>Effect on DBO due to 1% decrease in discount rate</td>
<td>97</td>
<td>90</td>
</tr>
<tr>
<td><strong>Salary Escalation Rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect on DBO due to 1% increase in salary escalation rate</td>
<td>95</td>
<td>82</td>
</tr>
<tr>
<td>Effect on DBO due to 1% decrease in salary escalation rate</td>
<td>(84)</td>
<td>(73)</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(k) Methodology for Defined Benefit Obligations:
The Projected Unit Credit (PUC) actuarial method has been used to assess the plan’s liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method, a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

<table>
<thead>
<tr>
<th>Year ended</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>61</td>
<td>56</td>
</tr>
<tr>
<td>From 1 year to 2 years</td>
<td>86</td>
<td>56</td>
</tr>
<tr>
<td>From 2 years to 3 years</td>
<td>91</td>
<td>75</td>
</tr>
<tr>
<td>From 3 years to 4 years</td>
<td>100</td>
<td>76</td>
</tr>
<tr>
<td>From 4 years to 5 years</td>
<td>98</td>
<td>75</td>
</tr>
<tr>
<td>From 5 years to 10 years</td>
<td>580</td>
<td>390</td>
</tr>
</tbody>
</table>

(l) The Expected Maturity Analysis of Undiscounted Gratuity is as follows:

(m) Composition of Plan Assets

<table>
<thead>
<tr>
<th>Year ended</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Bank Balances</td>
<td>1.83%</td>
<td>2.01%</td>
</tr>
<tr>
<td>Scheme of insurance - Conventional product</td>
<td>0.22%</td>
<td>0.23%</td>
</tr>
<tr>
<td>Scheme of insurance - ULIP product</td>
<td>97.95%</td>
<td>97.76%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Above Investments in Plan Assets are unquoted.

(n) Expected Contributions to post-employment benefit plan of Gratuity for the year ending March 31, 2021 are ₹ 65 Crore.

II Other Defined Benefit and contribution Plans

(a) Pension
The Company contributes a certain percentage of salary for all eligible employees in the managerial cadre towards Superannuation Funds with option to put certain portion in National Pension Scheme (NPS) and/or in funds managed by Birla Sunlife Insurance Company to be converted to annuity of Life Insurance Corporation of India at retirement. Junior Pension Plan provided to certain employees is in the nature of defined benefit plan which provides an annuity in the form of pension amount at retirement. The amount charged to the statement of profit and loss during the year is ₹ 60 Crore (year ended 31/03/2019 ₹ 22 Crore). Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ 6 Crore (year ended 31/03/2019 ₹ 4 Crore).

(b) Post-Retirement Medical Benefits
The Company provides post retirement medical benefit to its certain retired employees. The scheme involves reimbursement of expenses towards medical treatment of self and dependents. The amount charged to the statement of profit and loss during the year is ₹ 4 Crore (year ended 31/03/2019 ₹ 1 Crore) and amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ 4 Crore (year ended 31/03/2019 ₹ 1 Crore).

(c) Leave Obligations
The leave obligation cover the Company’s liability for earned and sick leave. The entire amount of the provision of ₹ 254 Crore (year ended 31/03/2019 ₹ 223 Crore) is presented as current, since the company does not have an unconditional right to defer settlement for these obligations. Expected amount towards settlement of Leave for the next 12 months are ₹ 37 Crore (year ended 31/03/2019 ₹ 34 Crore).
(d) Provident Fund
The Company contribution towards Provident Fund managed either by approved trusts or by the Central Government is debited to the statement of profit and loss. In respect of provident fund management by the approved trust, the Company has an obligation to fund any shortfall on the yield of the trust’s investments over the administered interest rates on an annual basis. The Company also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines. The amount debited to the statement of profit and loss during the year was ₹ 97 Crore (year ended 31/03/2019 ₹ 94 Crore). Based on actuarial valuation, the Company has recognised obligation of ₹ 8 Crore as at 31/03/2020 (year ended 31/03/2019 ₹ 8 Crore) towards shortfall on the yield of the trust’s investments over the administered interest rates. Amount of actuarial (gain)/loss recognised in Other Comprehensive Income during the year is ₹ (2) Crore (year ended 31/03/2019 ₹ * Crore).

(e) Certain investments made by the Company’s Provident Fund Trust (‘AAA’ rated when the investment was done) became impaired during the year. The Trust has recorded the loss in its books for the year ended March 31, 2020. The Company is obligated to make good such losses to the trust and as such has compensated the trust by ₹ 73 Crore. The amount has been accounted for in Other Comprehensive Income.

Sensitivity Analysis :-

<table>
<thead>
<tr>
<th>Provident Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
</tr>
<tr>
<td>Effect on DBO due to 1% increase in discount rate</td>
</tr>
<tr>
<td>Effect on DBO due to 1% decrease in discount rate</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
</tr>
<tr>
<td>Effect on DBO due to 1% increase in discount rate</td>
</tr>
<tr>
<td>Effect on DBO due to 1% decrease in discount rate</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention

Assumption use in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

<table>
<thead>
<tr>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/03/2020</td>
</tr>
<tr>
<td>Discount rate</td>
</tr>
<tr>
<td>Expected EPFO (Employees’ Provident Fund Organisation) Return</td>
</tr>
</tbody>
</table>

44. Related Party Transactions
The following transactions were carried out with the Related Parties in the ordinary course of business:

(I) Subsidiaries, Associates, Joint Ventures and Others

<table>
<thead>
<tr>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries</td>
<td>Associates</td>
</tr>
<tr>
<td>Sales and Conversion</td>
<td>55</td>
</tr>
<tr>
<td>(a) Hindalco - Almex Aerospace Limited</td>
<td>51</td>
</tr>
<tr>
<td>(b) Novelis Inc. and its Subsidiaries</td>
<td>3</td>
</tr>
<tr>
<td>(c) Utkal Alumina International Limited</td>
<td>1</td>
</tr>
</tbody>
</table>
### Services rendered

<table>
<thead>
<tr>
<th>2</th>
<th>Services rendered</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Hydromine Global Minerals GmbH Limited (Consolidated)</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Dahej Harbour &amp; Infrastructure Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Utkal Alumina International Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(d) Aditya Birla Management Corporation Private Limited (ABMCPL)</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Interest and Dividend received during the year

<table>
<thead>
<tr>
<th>3</th>
<th>Interest and Dividend received during the year</th>
<th>Interest received</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
<th>Dividend received</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Aditya Birla Science &amp; Technology Company Private Limited</td>
<td>1</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Dahej Harbour &amp; Infrastructure Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c) Hindalco - Almex Aerospace Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Renuka Investments &amp; Finance Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(e) Renukeshwar Investments &amp; Finance Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td>(f) Suvas Holdings Limited</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dividend received</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>76</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Dahej Harbour &amp; Infrastructure Limited</td>
<td>18</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Lucknow Finance Company Limited</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td>(c) Renuka Investments &amp; Finance Limited</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(d) Renukeshwar Investments &amp; Finance Limited</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Interest paid

<table>
<thead>
<tr>
<th>4</th>
<th>Interest paid</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Utkal Alumina International Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Purchase of Materials, Capital Equipment and Others

<table>
<thead>
<tr>
<th>5</th>
<th>Purchase of Materials, Capital Equipment and Others</th>
<th>2,823</th>
<th>14</th>
<th>-</th>
<th>-</th>
<th>4,114</th>
<th>5</th>
<th>-</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Hindalco - Almex Aerospace Limited</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Minerals &amp; Minerals Limited</td>
<td>42</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Novelis Inc. and its Subsidiaries</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(d) Suvas Holdings Limited</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(e) Utkal Alumina International Limited</td>
<td>2,772</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,064</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(f) Aditya Birla Renewables Subsidiary Limited</td>
<td>-</td>
<td>14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Services received

<table>
<thead>
<tr>
<th>6</th>
<th>Services received</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others **</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Aditya Birla Science &amp; Technology Company Private Limited</td>
<td>-</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(b) Dahej Harbour &amp; Infrastructure Limited</td>
<td>47</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(c) Lucknow Finance Company Limited</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(d) Novelis Inc. and its Subsidiaries</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(e) Renuka Investments &amp; Finance Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(f) Utkal Alumina International Limited</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(g) Aditya Birla Management Corporation Private Limited (ABMCPL)</td>
<td>-</td>
<td>-</td>
<td>423</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>400</td>
<td>-</td>
</tr>
</tbody>
</table>
### Investments, Loans and Deposits made during the year

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and Deposits made during the Year</td>
<td>25</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(a) AV Minerals (Netherlands) N.V.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Dahej Harbour &amp; Infrastructure Limited</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(c) East Coast Bauxite Mining Company Pvt. Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(d) Renuka Investments &amp; Finance Limited</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(e) Renukeshwar Investments &amp; Finance Limited</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(f) Suvas Holdings Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Investments Made during the Year**

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>(a) Hydromine Global Minerals GmbH Limited (Consolidated)</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>(b) AV Minerals (Netherlands) N.V.</td>
<td>14</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(c) Suvas Holdings Limited</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(d) Aditya Birla Renewables Subsidiary Limited</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

### Investments, Loans and Deposits returned back during the year by

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and Deposits Returned back during the Year</td>
<td>26</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>(a) Aditya Birla Science &amp; Technology Company Private Limited</td>
<td>-</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>(b) Dahej Harbour &amp; Infrastructure Limited</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(c) Renuka Investments &amp; Finance Limited</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(d) Renukeshwar Investments &amp; Finance Limited</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(e) Suvas Holdings Limited</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Investments, Deposits, Loans and Advances obtained during the year from

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits, Loans and Advances obtained during the year from</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(a) Utkal Alumina International Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Investments, Deposits, Loans and Advances repaid during the year to

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits, Loans and Advances repaid during the year to</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(a) Utkal Alumina International Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Guarantees and Collateral Securities released during the year

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,866</td>
</tr>
<tr>
<td>(a) Suvas Holdings Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Utkal Alumina International Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Licence and Lease agreements

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(a) Dahej Harbour &amp; Infrastructure Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Recovery of ESOP Expenses

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Associates</th>
<th>Joint Ventures</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(a) Hindalco - Almex Aerospace Limited</td>
<td>*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(b) Utkal Alumina International Limited</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
For details of investment in Subsidiaries, Joint Ventures and Associates (refer Notes 5, 6 and 15A of Standalone Financial Statements).

For details of Subsidiaries, Joint Ventures and Associates (refer note 53 of Consolidated Financial Statement).

* Amount below rounding off convention.

# all outstanding balances are unsecured and are payable in cash.

** The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on cost basis.
(II) Trusts

**Contribution to Trusts:**
(a) Hindalco Employee's Gratuity Fund, Kolkata, ₹ 20 Crore (year ended 31/03/2019 ₹ Nil).
(b) Hindalco Employee's Gratuity Fund, Renukoot, ₹ 46 Crore (year ended 31/03/2019 ₹ 43 Crore).
(c) Hindalco Employee's Provident Fund Institution, Renukoot, ₹ 76 Crore (year ended 31/03/2019 ₹ 72 Crore).
(d) Hindalco Superannuation Scheme, Renukoot, ₹ 7 Crore (year ended 31/03/2019 ₹ 7 Crore).
(e) Hindalco Industries Limited Employees’ Provident Fund II ₹ 63 Crore (year ended 31/03/2019 ₹ 58 Crore).
(f) Hindalco Industries Limited Senior Management Staff Pension Fund II ₹ 5 Crore (year ended 31/03/2019 ₹ 5 Crore).
(g) Hindalco Jan Seva Trust ₹ 1 Crore (year ended 31/03/2019 ₹ 1 Crore).
(h) Copper Jan Seva Trust ₹ 6 Crore (year ended 31/03/2019 ₹ 6 Crore).

**Outstanding balances:**

**Receivable**
(a) Hindalco Jan Seva Trust ₹ * Crore (as at 31/03/2019 ₹ 1 Crore).

**Payable**
(a) Copper Jan Seva Trust ₹ 3 Crore (as at 31/03/2019 ₹ 4 Crore).

* Amount below rounding off convention.

(III) Key Managerial Remuneration

(i) **Executive Directors**
(a) Mr. Satish Pai - Managing Director
(b) Mr. Praveen Maheshwari Whole-time Director & Chief Financial Officer

(ii) **Non-Executive Directors**
(a) Mr. Kumar Mangalam Birla
(b) Smt. Rajashree Birla
(c) Mr. D. Bhattacharya
(d) Mr. A.K. Agarwala
(e) Mr. M.M. Bhagat (Resigned w.e.f. 30th August, 2019)
(f) Mr. K.N. Bhandari
(g) Mr. Y.P. Dandiwala
(h) Mr. Ram Charan
(i) Mr. Girish Dave (Resigned w.e.f. 11th November, 2019)
(j) Ms. Alka Bharucha
(k) Dr. Vikas Balia (w.e.f. 19th July, 2019)
(l) Mr. Sudhir Mital (w.e.f. 11th November, 2019)

<table>
<thead>
<tr>
<th>Year ended</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/03/2020</td>
<td>31/03/2019</td>
</tr>
<tr>
<td>(a) Remuneration of Executive Directors $@</td>
<td></td>
</tr>
<tr>
<td>Short-term employment benefit</td>
<td>36</td>
</tr>
<tr>
<td>Post-employment benefits #</td>
<td>2</td>
</tr>
<tr>
<td>(b) Remuneration of Non-Executive Directors</td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>4</td>
</tr>
<tr>
<td>Commission and Sitting Fees</td>
<td>3</td>
</tr>
</tbody>
</table>

$ includes Managing Director and CFO (Whole-time Director).
# As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.
@ Excludes amortisation of fair value of employee share-based payments under Ind AS 102.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

45. Contingent Liabilities and Commitments

A. Contingent Liabilities

<table>
<thead>
<tr>
<th>(a) Claims against Company not acknowledged as Debt:</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>(i) Demand for Stamp Duty by Collector (Stamp), Kanpur, Uttar Pradesh (U.P.) on merger of Copper Business of IndoGulf Corporation with the Company</td>
<td>20</td>
</tr>
<tr>
<td>The matter is pending before the Hon'ble High Court of Allahabad. The Company believes that there is no substantive/computation provision for levy/calculation of stamp duty within the provisions of Uttar Pradesh Stamp Act on scheme of arrangement under the Companies Act, 1956, approved by the Court. Moreover, the properties in question are located in the State of Gujarat and, thus, the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. Further, the Company has already paid the stamp duty for the same in 2003-04 which has been accepted as per the provisions of the Bombay Stamp Act, 1958.</td>
<td></td>
</tr>
<tr>
<td>(ii) Demand towards drawal of energy during peak hours by Uttar Pradesh Power Corporation Limited (UPPCL) / PurvanchalVidyutVitran Nigam Limited (PVVN)</td>
<td>81</td>
</tr>
<tr>
<td>The dispute relates to the agreement entered with UPPCL for the period 2009-14. Demand was raised by UPPCL for drawl of banked energy during peak hours. The Hon'ble Supreme Court has stayed the demand and the matter is pending with Appellate Tribunal for Electricity (APTEL).</td>
<td></td>
</tr>
<tr>
<td>(iii) Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited</td>
<td>4</td>
</tr>
<tr>
<td>Writ petition pending with Lucknow Bench of Allahabad High Court. The demand for arrears stayed.</td>
<td></td>
</tr>
<tr>
<td>(iv) Demand for Entry Tax relating to valuation dispute</td>
<td>28</td>
</tr>
<tr>
<td>Appeals have been filed with Additional CCT, Sambalpur.</td>
<td></td>
</tr>
<tr>
<td>(v) Interest demand on withholding of 50% payment of Entry Tax</td>
<td>27</td>
</tr>
<tr>
<td>Appeal is pending before Hon'ble High Court of Odhisa and stay has been granted.</td>
<td></td>
</tr>
<tr>
<td>(vi) Demand from State and Central Sales Tax authorities for various years</td>
<td>26</td>
</tr>
<tr>
<td>At different levels of appeal.</td>
<td></td>
</tr>
<tr>
<td>(vii) Disallowances of Cenvat Credit on inputs &amp; capital goods &amp; short payment of excise on additional consideration received from recipient of deemed exporter</td>
<td>9</td>
</tr>
<tr>
<td>Matters are pending with CESTAT.</td>
<td></td>
</tr>
<tr>
<td>(viii) Disallowance of Service Tax credit on Input services at various locations</td>
<td>101</td>
</tr>
<tr>
<td>These matters are pending with CESTAT authorities.</td>
<td></td>
</tr>
<tr>
<td>(ix) Demand for recovery of cenvat credit availed on service tax paid on Goods Transport Agency (outward charges)</td>
<td>9</td>
</tr>
<tr>
<td>The matter is pending with Commissioner (Appeals), Vadodara &amp; Commissioner, Bharuch.</td>
<td></td>
</tr>
<tr>
<td>(x) Water Tariff revision demand for previous years</td>
<td>8</td>
</tr>
<tr>
<td>The matter is pending in the Hon'ble High Court of Karnataka.</td>
<td></td>
</tr>
<tr>
<td>(xi) Green Cess Provision Under Electricity Act Year-2012-13 to Year 2017-18</td>
<td>12</td>
</tr>
<tr>
<td>The matter is pending at Hon'ble Supreme Court.</td>
<td></td>
</tr>
<tr>
<td>(xii) Other Contingent Liabilities in respect of Excise, Customs, Sales Tax, etc. each being for less than ₹ 1 Crore</td>
<td>10</td>
</tr>
<tr>
<td>The demands are in dispute at various legal forums.</td>
<td></td>
</tr>
</tbody>
</table>
(xiii) Transitional Credit of cess

Writ Petition filed before Odisha and MP High Court.

(xiv) Penalty for Unauthorised Disposal of Anode Butts

The matter is pending with Odisha High Court.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, pending resolution of the respective proceedings.

(b) Other money for which the Company is contingently liable

(i) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled

B. Commitments

(b) Other money for which the Company is contingently liable

(i) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled

B. Commitments

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

(b) The Company has given the undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary to hold minimum 51% equity shares in UAIL.

(c) Other Commitment for purchase of Goods and Services (Net of Advance)

46. Offsetting Financial Liabilities and Financial Assets

Financial instruments subject to offsetting, enforceable master netting arrangement and similar arrangements.

<table>
<thead>
<tr>
<th>Note No.</th>
<th>Gross Amount</th>
<th>Gross amount set off in the balance sheet</th>
<th>Net amount presented in the balance sheet</th>
<th>Amounts subject to master netting arrangements</th>
<th>Financial Instrument collateral</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>9A and 9B</td>
<td>986</td>
<td>(78)</td>
<td>908</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>13</td>
<td>3,265</td>
<td>-</td>
<td>3,265</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>12</td>
<td>2,093</td>
<td>-</td>
<td>2,093</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td>6,629</td>
<td>(78)</td>
<td>6,551</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>20A and 20B</td>
<td>706</td>
<td>(78)</td>
<td>628</td>
<td>-</td>
<td>(161)</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>19</td>
<td>3,990</td>
<td>-</td>
<td>3,990</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>20A and 20B</td>
<td>1,012</td>
<td>-</td>
<td>1,012</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td></td>
<td>5,708</td>
<td>(78)</td>
<td>5,630</td>
<td>-</td>
<td>(161)</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>As at 31/03/2019</th>
<th>Effects on Balance Sheet</th>
<th>Related Amounts not Offset</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Note No.</td>
<td>Gross Amount</td>
<td>Gross amount set off in the balance sheet</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>9A and 9B</td>
<td>958</td>
<td>(40)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>13</td>
<td>1,515</td>
<td>-</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>12</td>
<td>2,125</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>9A and 9B</td>
<td>478</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td></td>
<td>5,076</td>
<td>(40)</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>20A and 20B</td>
<td>577</td>
<td>(40)</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>19</td>
<td>5,736</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>20A and 20B</td>
<td>1,418</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td></td>
<td>7,731</td>
<td>(40)</td>
</tr>
</tbody>
</table>

47. Financial Instruments

A. Fair Value Measurement

(a) The following table shows the carrying amounts of Financial Assets and Financial Liabilities by category:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2019</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortised Cost</td>
<td>FVTOCI</td>
</tr>
<tr>
<td>Financial Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in Associate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unquoted Instruments</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>Investments in Equity Instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted Equity Instruments</td>
<td>-</td>
<td>2,893</td>
</tr>
<tr>
<td>Unquoted Equity Instruments</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td>Investments in Debt Instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bonds and Debentures</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government Securities</td>
<td>-</td>
<td>93</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Bank</td>
<td>2,193</td>
<td>-</td>
</tr>
<tr>
<td>Liquid Mutual Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank Balances other than Cash and Cash Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>2,081</td>
<td>-</td>
</tr>
<tr>
<td>Loans</td>
<td>69</td>
<td>-</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>285</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>4,643</td>
<td>3,047</td>
</tr>
</tbody>
</table>
The Company had acquired certain equity instruments for the purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorized as FVTOCI.

(b) The following table shows the fair values of Financial Assets and Financial Liabilities measured at amortised cost:

<table>
<thead>
<tr>
<th>Financial Liabilities:</th>
<th>31/03/2020 As at</th>
<th>31/03/2019 As at</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Borrowings</strong></td>
<td><strong>Amortised Cost</strong></td>
<td><strong>FVTPL</strong></td>
</tr>
<tr>
<td>Non Convertible Debentures (NCDs)</td>
<td>5,994</td>
<td>-</td>
</tr>
<tr>
<td>Long-term Borrowings</td>
<td>9,666</td>
<td>-</td>
</tr>
<tr>
<td>Short-term Borrowings</td>
<td>7,384</td>
<td>-</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>317</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>628</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>1,779</td>
<td>2,211</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>1,012</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,152</td>
<td>2,839</td>
</tr>
</tbody>
</table>

Fair Value of borrowings does not include interest accrued but not due.

Fair values for current financial assets and financial liabilities have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

(c) Classification of finance income and finance cost by instrument category

<table>
<thead>
<tr>
<th>Year ended</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td><strong>Amortised Cost</strong></td>
<td><strong>FVTPL</strong></td>
</tr>
<tr>
<td>Interest Income (i)</td>
<td>103</td>
<td>6</td>
</tr>
<tr>
<td>Dividend Income (ii)</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>103</td>
<td>33</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td><strong>1,617</strong></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,617</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Details of amount not included in the table above.

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Interest received from Income Tax Department</td>
<td>46</td>
<td>257</td>
</tr>
<tr>
<td>(ii) Dividend from Subsidiaries</td>
<td>29</td>
<td>75</td>
</tr>
<tr>
<td>(iii) Interest on Income Tax and other finance cost</td>
<td>62</td>
<td>31</td>
</tr>
</tbody>
</table>

For amortised cost and FVTOCI instruments, interest expense is recognised at effective interest rate.

B. Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy:

(i) Financial assets and financial liabilities measured at fair value - recurring fair value measurements:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Investments in Associates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unquoted Instruments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in Equity Instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted Equity Instruments</td>
<td>2,893</td>
<td>-</td>
</tr>
<tr>
<td>Unquoted Equity Instruments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,893</td>
<td>-</td>
</tr>
<tr>
<td>Investments in Debt Instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>4,556</td>
<td>19</td>
</tr>
<tr>
<td>Bonds and Debentures</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Government Securities</td>
<td>-</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>4,562</td>
<td>92</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>908</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid Mutual Funds</td>
<td>1,072</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>8,527</td>
<td>1,012</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>626</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>-</td>
<td>2,211</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>2,839</td>
</tr>
</tbody>
</table>

(ii) Fair value disclosure of Financial Assets and Financial Liabilities measured at amortised cost:

<table>
<thead>
<tr>
<th>Financial Liabilities:</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Long-term Borrowings</td>
<td>-</td>
<td>16,442</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>16,442</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Assets:</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Loans and Advances, Non-Current</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>Deposits, Non-Current</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Level 1: Hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments, which are traded in the stock exchanges, are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2: Hierarchy includes financial instruments that are not traded in active market. This includes over the counter (OTC) derivatives, close ended mutual funds and debt instruments valued using observable market data such as yield, etc., of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in Level 2. Borrowings have been fair valued using credit adjusted interest rate prevailing on the reporting date. Trade Receivables and Payables, that are realigned based on forward LME/LBMA price movements, have been included in Level 2 hierarchy.

Level 3: If one or more significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity instruments and certain debt instruments, which are valued using assumptions from market participants.

(iii) 31/03/2020 and 31/03/2019, respectively

<table>
<thead>
<tr>
<th></th>
<th>Unquoted Associates</th>
<th>Unquoted Equity Instruments</th>
<th>Unquoted Debt Instruments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 01/04/2018</td>
<td>14</td>
<td>24</td>
<td>292</td>
<td>330</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gains/(losses) recognised in Profit or loss</td>
<td>-</td>
<td>-</td>
<td>(136)</td>
<td>(136)</td>
</tr>
<tr>
<td>Gains/(losses) recognised in OCI</td>
<td>8</td>
<td>11</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Transfer from Level 1 and 2</td>
<td>-</td>
<td>-</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Transfer to Level 1 and 2</td>
<td>-</td>
<td>-</td>
<td>(136)</td>
<td>(136)</td>
</tr>
<tr>
<td>As at 31/03/2019</td>
<td>28</td>
<td>35</td>
<td>84</td>
<td>147</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gains/(losses) recognised in Profit or Loss</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gains/(losses) recognised in OCI</td>
<td>5</td>
<td>(8)</td>
<td>-</td>
<td>(3)</td>
</tr>
<tr>
<td>Transfer from Level 1 and 2</td>
<td>-</td>
<td>-</td>
<td>189</td>
<td>189</td>
</tr>
<tr>
<td>Transfer to Level 1 and 2</td>
<td>-</td>
<td>-</td>
<td>(50)</td>
<td>(50)</td>
</tr>
<tr>
<td>As at 31/03/2020</td>
<td>34</td>
<td>27</td>
<td>224</td>
<td>285</td>
</tr>
</tbody>
</table>

Unrealised Gain/(loss) recognised in profit and loss relating to assets and liabilities held at the end of reporting period:

<table>
<thead>
<tr>
<th></th>
<th>Unquoted Associates</th>
<th>Unquoted Equity Instruments</th>
<th>Unquoted Debt Instruments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31/03/2020</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>As at 31/03/2019</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Transfers from Level 1 and 2 to Level 3 and out of Level 3 for unquoted debt instruments is based on unavailability/availability of market observable inputs as on the reporting date. The Company’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iv) Sensitivity analysis of Level-3 Instruments:

<table>
<thead>
<tr>
<th></th>
<th>Unquoted Associates</th>
<th>Unquoted Equity Instruments</th>
<th>Unquoted Debt Instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Yield by 0.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31/03/2020</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td>As at 31/03/2019</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Increase in Price to Book Multiple by 10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31/03/2020</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>As at 31/03/2019</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

Sensitivity with decrease in yield and Price Book Multiplier by 0.5% and 10% will have equal and opposite impact in financial statement.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(v) Valuation Process

Some of the Company’s assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has set up a team in the finance department which performs the valuation of financial assets and liabilities.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The team reports findings to the management of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

(vi) Valuation techniques used for valuation of instruments categorised as Level 3

For valuation of investments in Equity Shares and associates, which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done by considering the net worth of the Company and price to book multiple to arrive at the fair value. In cases where income approach was feasible valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process.

For valuation of investments in debt securities categorised as Level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.


The Company’s activities expose it to various risks such as market risk, liquidity risk and credit risk. This section explains the risks, which the Company is exposed to and how it manages those risks.

A. Market Risk

(i) Market Risk: Commodity Price Risk

Hindalco’s India Operations consist of two businesses – Copper Business and Aluminium Business. The Copper Business works under a “Custom Smelting” model wherein the focus is to improve the processing margin. The timing mis-match risk between the input and output price, which is linked to the same international pricing benchmark, is eliminated through use of derivatives. This off-set hedge model (through use of derivatives) is used to manage the timing mis-match risk for both Commodity (Copper and Precious Metals) and Currency Risk (primarily, USD/INR). The Copper Business also has a portion of View-Based exposure for both Commodity and Currency, beyond the above timing mis-match risk. Lower Copper Prices, Stronger USD/INR exchange rate and Higher “Other Input” Prices (e.g. Coal, furnace oil, natural gas, etc.) are the major price risks that adversely impact the business. Here, the Company may use derivative instruments, wherever available, to manage these pricing risks. A variety of factors, including the risk appetite of the business and price view, are considered while taking Hedging Decisions. Such view-based hedges are usually done for the next 1-15 quarters.

The Aluminium Business is a vertically integrated business model wherein the input and output pricing risks are independent of each other, i.e. – are on different pricing benchmarks, if any. Here, the Company may use derivative instruments, wherever available, to manage its pricing risks for both input and output products. Lower Aluminium Prices, Stronger USD/INR exchange rate and Higher Input Prices (e.g. Alumina, Furnace Oil) are the major price risks that adversely impact the business. Hedging decisions are based on a variety of factors, including risk appetite of the business and price view. Such hedge decisions are usually done for the next 1-12 quarters.

**Embedded Derivatives**

Copper concentrate is purchased on future pricing model based on month’s average LME (in case of copper)/LBMA (in case of gold and silver). Since, the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED, so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to inventory.
(b) The table below summarises gain/(loss) impact of increase/decrease in the commodity price on the Company’s equity and profit for the year:

<table>
<thead>
<tr>
<th>Commodity Risk</th>
<th>Price Index</th>
<th>Increase in Price</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>LME 10%</td>
<td>(1)</td>
<td>(200)</td>
<td>* (180)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copper</td>
<td>LME 10%</td>
<td>(222)</td>
<td>(47)</td>
<td>(385)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>LBMA/ MCX 10%</td>
<td>(86)</td>
<td>-</td>
<td>154</td>
<td>(222)</td>
<td></td>
</tr>
<tr>
<td>Silver</td>
<td>LBMA 10%</td>
<td>(14)</td>
<td>-</td>
<td>(2)</td>
<td>(10)</td>
<td></td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>AG Platts 10%</td>
<td>*</td>
<td>10</td>
<td>2</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>API IV 10%</td>
<td>*</td>
<td>1</td>
<td>*</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Regasified Liquid Natural Gas</td>
<td>ICE Brent 10%</td>
<td>*</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the outstanding derivative position as on the reporting date by assuming all other factors constant.

(ii) Market Risk : Foreign Currency Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange inflow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The Company enters into various foreign exchange contracts to protect profitability. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities.

(a) The Company’s net exposure to foreign currency risk at the end of the reporting period, expressed in ₹, is given below:

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>Unhedged Foreign Currency Payable / (Receiveable)</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>USD</td>
<td>469</td>
<td>525</td>
</tr>
<tr>
<td>EUR</td>
<td>(2)</td>
<td>*</td>
</tr>
<tr>
<td>GBP</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>NOK</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>AUD</td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>CHF</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>470</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

Assets and liabilities that are naturally hedged against future transactions are excluded for the purpose of above disclosure.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(b) The table below summarises gain/(loss) impact of increase/decrease in the exchange rates on the Company’s equity and profit for the year:

<table>
<thead>
<tr>
<th>Currency Risk</th>
<th>Increase in Rate/Price</th>
<th>Year ended</th>
<th>Year ended</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 10%</td>
<td></td>
<td>31/03/2020</td>
<td>31/03/2019</td>
<td>114</td>
<td>(1,232)</td>
<td>10</td>
<td>(922)</td>
</tr>
<tr>
<td>EUR 10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying currency index on the outstanding derivative position and unhedged exposure as on the reporting date by assuming all other factors constant.

(iii) Market Risk: Equity Securities Price Risk

The Company's exposure to equity securities price risk arises from movement in market price of related securities classified either as FVTOCI or FVTPL. The Company manages the price risk through diversified portfolio.

The table below summarises gain/(loss) impact of increase/decrease in the equity share price on the Company’s equity and profit for the year:

<table>
<thead>
<tr>
<th>Other Price Risk</th>
<th>Price Index</th>
<th>Increase in Rate/Price</th>
<th>Year ended</th>
<th>Year ended</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Equity Securities</td>
<td>NSE</td>
<td>10%</td>
<td>31/03/2020</td>
<td>31/03/2019</td>
<td>-</td>
<td>256</td>
<td>-</td>
<td>426</td>
</tr>
</tbody>
</table>

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date by assuming all other factors constant.

(iv) Market Risk: Interest Rate Risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings, and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates. Such interest rate risk is actively evaluated, and interest rate swap is taken whenever considered necessary.

The Company is also exposed to interest rate risk on its financial assets that include fixed deposits, bonds, debentures, commercial papers, other mutual funds and liquid investments comprising mainly mutual funds (which are part of cash and cash equivalents). Since, majority of these are generally for short durations, the Company believes it has limited interest rate risk.

(a) The table below summarises gain/(loss) impact of increase/decrease in the interest rates on the Company’s equity and profit for the year:

<table>
<thead>
<tr>
<th>Interest Rate Risk</th>
<th>Increase in Rate year ended 31/3/2020</th>
<th>Increase in Rate year ended 31/3/2019</th>
<th>Year ended</th>
<th>Year ended</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
<th>Gain/ (Loss) in Statement of Profit and Loss Post Tax</th>
<th>Gain/ (Loss) in Other Components of Equity Post Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate on floating rate borrowings</td>
<td>100 bps</td>
<td>50 bps</td>
<td>(62)</td>
<td>-</td>
<td>(40)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decrease in rates by 100 bps/ 50 bps will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the interest rates applicable (i.e. USD 3M Libor, SBI 3M MCLR, Axis 1M MCLR, etc.) on the amount of borrowings during the year by assuming all other factors constant.
B. Liquidity Risk

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium-term requirements and strategic financing plans for long-term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while, at the same time, maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice, and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

(i) Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

<table>
<thead>
<tr>
<th>Facility Description</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Overdraft and other facilities (expiring within 1 year)</td>
<td>200</td>
<td>180</td>
</tr>
<tr>
<td>Bank Overdraft and other facilities (expiring beyond 1 year)</td>
<td>575</td>
<td>1,501</td>
</tr>
</tbody>
</table>

Undrawn limit has been calculated based on the available drawing power and sanctioned amount at each reporting date.

(ii) Maturity Analysis

The Company’s financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net settled derivative financial instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Contractual maturities of financial liabilities as at 31/03/2019

<table>
<thead>
<tr>
<th>Derivatives (net settled)</th>
<th>Less than 1 Year</th>
<th>1 Year to 2 Years</th>
<th>2 Years to 5 Years</th>
<th>More than 5 Years</th>
<th>Total</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity Forwards/ Swaps</td>
<td>60</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Fx Currency forwards</td>
<td>46</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Fx Swaps</td>
<td>369</td>
<td>62</td>
<td>-</td>
<td>-</td>
<td>431</td>
<td>430</td>
</tr>
<tr>
<td></td>
<td>475</td>
<td>63</td>
<td>-</td>
<td>-</td>
<td>538</td>
<td>537</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Includes Principal and interest payments, short-term borrowings, current portion of debt and excludes unamortised fees.

(b) Total cash outflow for leases for the year ended 31/03/2020 is ₹ 169 Crore.

C. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed on an entity level basis. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating risk of financial loss from defaults. The Company invests only in those instruments issued by high rated banks/ institutions and government agencies. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company’s investments in debt instruments and certain loans are considered to have low credit risk. The credit ratings of the investments are monitored for credit deterioration.

For some trade receivables the Company obtains security in the form of guarantees, deed of undertaking or letters of credit, which can be called upon if the counterparty is in default under the terms of the agreement.

The Company periodically monitors the recoverability and credit risks of its other financial assets including security deposits and other receivables. The Company evaluates 12-month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers lifetime expected credit losses for the purpose of impairment provisioning.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

(i) Summary of trade receivables and provision with ageing as at 31-Mar-20

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Not Due</th>
<th>1 to 30 Days</th>
<th>31 to 60 Days</th>
<th>61 to 120 Days</th>
<th>121 to 180 Days</th>
<th>Over 180 Days</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount - Domestic</td>
<td>1,271</td>
<td>147</td>
<td>77</td>
<td>47</td>
<td>54</td>
<td>72</td>
<td>1,668</td>
</tr>
<tr>
<td>Gross carrying amount - Export</td>
<td>351</td>
<td>106</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>464</td>
</tr>
<tr>
<td>Expected loss rate</td>
<td>0.03%</td>
<td>0.63%</td>
<td>0.85%</td>
<td>10.85%</td>
<td>0.00%</td>
<td>1.07%</td>
<td>0.41%</td>
</tr>
<tr>
<td>Expected credit loss provision</td>
<td>*</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Loss allowance - Credit impaired - Export</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Loss allowance - Credit impaired - Domestic</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Total Provision</td>
<td>*</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>-</td>
<td>31</td>
<td>39</td>
</tr>
<tr>
<td>Carrying amount of trade receivables (net of impairment)</td>
<td>1,622</td>
<td>251</td>
<td>80</td>
<td>44</td>
<td>54</td>
<td>42</td>
<td>2,093</td>
</tr>
</tbody>
</table>
(ii) Summary of trade receivables and provision with ageing as at 31-Mar-19

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Not Due</th>
<th>1 to 30 Days</th>
<th>31 to 60 Days</th>
<th>61 to 120 Days</th>
<th>121 to 180 Days</th>
<th>Over 180 Days</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross carrying amount - Domestic</td>
<td>1,381</td>
<td>94</td>
<td>59</td>
<td>32</td>
<td>53</td>
<td>155</td>
<td>1,774</td>
</tr>
<tr>
<td>Gross carrying amount - Export</td>
<td>340</td>
<td>41</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>386</td>
</tr>
<tr>
<td>Expected loss rate</td>
<td>0.05%</td>
<td>0.62%</td>
<td>3.46%</td>
<td>3.14%</td>
<td>0.19%</td>
<td>0.17%</td>
<td>0.24%</td>
</tr>
<tr>
<td>Expected credit loss provision</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>*</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Loss allowance - Credit impaired - Export</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Loss allowance - Credit impaired - Domestic</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Total Provision</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Carrying amount of trade receivables (net of impairment)</td>
<td>1,720</td>
<td>134</td>
<td>61</td>
<td>31</td>
<td>53</td>
<td>126</td>
<td>2,125</td>
</tr>
</tbody>
</table>

(iii) Reconciliation of Provision

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss allowance as at 01/04/2018</td>
<td>36</td>
</tr>
<tr>
<td>changes in loss allowance</td>
<td>(1)</td>
</tr>
<tr>
<td>Loss allowance as at 31/03/2019</td>
<td>35</td>
</tr>
<tr>
<td>changes in loss allowance</td>
<td>4</td>
</tr>
<tr>
<td>Loss allowance as at 31/03/2020</td>
<td>39</td>
</tr>
</tbody>
</table>

Of the trade receivables balance as at 31/03/2020 ₹ 256 Crore (as at 31/03/2019 ₹ 346 Crore) is due from a single customer being the Company’s largest customer. There are no other customers who represent more than 10% of the total balance of trade receivables.

Financial Assets at FVTPL and at FVTOCI:
The Company is also exposed to credit risks in relation to financial assets that are measured at FVTPL or at FVTOCI. The maximum exposure at the end of the reporting period is the carrying amount of these assets.

49. Capital Management
The Company’s objective to manage its capital is to ensure continuity of business while, at the same time, provide reasonable returns to its various stakeholders, but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short-term and long-term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

<table>
<thead>
<tr>
<th></th>
<th>As at</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Equity Ratio</td>
<td>0.51</td>
</tr>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td></td>
<td>31/03/2019</td>
</tr>
</tbody>
</table>

As at March 31, 2020 and March 31, 2019, the Company was in compliance with all of its debt covenants for borrowings.

50. Derivative Financial Instruments:
The Company uses derivative financial instruments such as forwards, futures, swaps, options etc. to hedge its risks associated with foreign exchange fluctuation. Risks associated with fluctuation in the price of the products (copper, aluminium, coal, furnace oil and precious metals) are minimized by undertaking appropriate derivative instruments. Derivatives embedded in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company also applies hedge accounting using certain foreign currency non-derivative monetary items, which are used as hedging instruments for hedging foreign exchange risk.

(A) The Asset and Liability position of various outstanding derivative financial instruments is given bel...

<table>
<thead>
<tr>
<th>Nature of Risk being Hedged</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liability</td>
<td>Asset</td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity contracts</td>
<td>Price Risk Component</td>
<td>(72)</td>
</tr>
<tr>
<td>Foreign currency contracts</td>
<td>Exchange rate movement risk</td>
<td>(314)</td>
</tr>
<tr>
<td>Fair Value Hedge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity contracts</td>
<td>Price Risk Component</td>
<td>(78)</td>
</tr>
<tr>
<td>Foreign currency contracts</td>
<td>Exchange rate movement risk</td>
<td>-</td>
</tr>
<tr>
<td>Embedded Derivatives *</td>
<td>Risk of change in Fair Value of unpriced inventory</td>
<td>(11)</td>
</tr>
<tr>
<td>Non-designated hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity contracts</td>
<td>(4)</td>
<td>88</td>
</tr>
<tr>
<td>Foreign currency contracts</td>
<td>(19)</td>
<td>19</td>
</tr>
<tr>
<td>Embedded Derivatives *</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>(498)</td>
<td>1,402</td>
</tr>
</tbody>
</table>

Non-Current Cash Flow Hedges

<table>
<thead>
<tr>
<th>Nature of Risk being Hedged</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liability</td>
<td>Asset</td>
</tr>
<tr>
<td>Commodity contracts</td>
<td>Price Risk Component</td>
<td>(5)</td>
</tr>
<tr>
<td>Foreign currency contracts</td>
<td>Exchange rate movement risk</td>
<td>(136)</td>
</tr>
<tr>
<td>Non-designated hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity contracts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign currency contracts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(141)</td>
<td>46</td>
</tr>
</tbody>
</table>

Grand Total                  | (639) | 1,448 | 809 | (786) | 924 | 138 |

* Fair Value gain of ₹ 529 Crore (31/03/2019 loss ₹ 243 Crore) is classified as part of Trade Payables.

The maturity profile for Commodity forwards ranges from April 2020 to March 2022. Foreign Exchange Forwards ranges from April 2020 to March 2025 and Foreign Exchange Swaps/options ranges from April 2020 to Jun 2020. Hedge Ratio of 1:1 is used by the Company except for its Natural Gas hedge program.

Derivative assets are part of other financial assets included in Notes 9A & 9B. Derivative liabilities are part of other financial liabilities included in Notes 20A & 20B.

(B) Outstanding position and fair value of various foreign exchange derivative financial instruments:

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Exchange Rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td>Foreign currency forwards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sell USD_INR</td>
<td>79.85</td>
<td>1,557</td>
</tr>
<tr>
<td>Buy USD_INR</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Buy EUR_INR</td>
<td>85.62</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>(300)</td>
<td>63</td>
</tr>
</tbody>
</table>
### Fair Value Hedges

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Exchange Rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td>Buy USD_INR</td>
<td>73.18</td>
<td>132</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

### Non-Designated

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Exchange Rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td>Buy EUR_INR</td>
<td>85.44</td>
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</tr>
<tr>
<td>Buy GBP_INR</td>
<td>93.21</td>
<td>-</td>
</tr>
<tr>
<td>Buy USD_INR</td>
<td>75.83</td>
<td>247</td>
</tr>
<tr>
<td>Sell USD_INR</td>
<td>75.56</td>
<td>157</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Foreign Currency swaps

#### Cash flow hedges

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Exchange Rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td>Sell USD_INR</td>
<td>63.51</td>
<td>118</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Foreign currency options

#### Cash flow hedges

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Exchange Rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td>Sell USD_INR</td>
<td>72.79</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

### Outstanding position and fair value of various foreign exchange non-derivative financial instruments used as hedging instruments:

<table>
<thead>
<tr>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Exchange Rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td>Debt USD_INR</td>
<td>71.52</td>
</tr>
<tr>
<td>Liability for Copper Concentrate USD_INR</td>
<td>73.86</td>
</tr>
<tr>
<td>Total</td>
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</tr>
</tbody>
</table>

### Outstanding position and fair value of various commodity derivative financial instruments:

#### Commodity Futures/Forwards/Swaps

#### Cash Flow Hedges

<table>
<thead>
<tr>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional Value (in Millions)</th>
<th>Fair Value Gain/(Loss) (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>Sell USD 1,864.28</td>
<td>265,500 MT</td>
<td></td>
<td>495</td>
<td>622</td>
</tr>
<tr>
<td>Copper</td>
<td>Sell USD 5,261.20</td>
<td>19,650 MT</td>
<td></td>
<td>105</td>
<td>46</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>Buy USD 257.24</td>
<td>118,867 MT</td>
<td></td>
<td>31</td>
<td>(65)</td>
</tr>
<tr>
<td>Coal</td>
<td>Buy USD 72.00</td>
<td>20,000 MT</td>
<td></td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Buy USD 34.55</td>
<td>45,500 BBL</td>
<td></td>
<td>2</td>
<td>*</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>603</td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
### Fair Value Hedges

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional Value (in Millions)</th>
<th>Fair Value Gain/(Loss) (in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>Sell</td>
<td>INR 4,154.052</td>
<td>4,808</td>
<td>KGS</td>
<td>19,966</td>
<td>(77)</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD 17.59</td>
<td>1,709,254</td>
<td>TOZ</td>
<td>30</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>(32)</strong></td>
</tr>
</tbody>
</table>

### Non-Designated Hedges

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional Value (in Millions)</th>
<th>Fair Value Gain/(Loss) (in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>Buy</td>
<td>USD 1,613.33</td>
<td>18,350</td>
<td>MT</td>
<td>30</td>
<td>(15)</td>
</tr>
<tr>
<td>Aluminium</td>
<td>Sell</td>
<td>USD 1,875.43</td>
<td>18,150</td>
<td>MT</td>
<td>34</td>
<td>50</td>
</tr>
<tr>
<td>Copper</td>
<td>Buy</td>
<td>USD 4,989.39</td>
<td>8,150</td>
<td>MT</td>
<td>41</td>
<td>(3)</td>
</tr>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD 5,275.19</td>
<td>12,750</td>
<td>MT</td>
<td>67</td>
<td>32</td>
</tr>
<tr>
<td>Gold</td>
<td>Buy</td>
<td>INR 4,238,148</td>
<td>2,885</td>
<td>KGS</td>
<td>12,227</td>
<td>27</td>
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<tr>
<td>Silver</td>
<td>Buy</td>
<td>USD 13.06</td>
<td>201,115</td>
<td>TOZ</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD 18.28</td>
<td>177,427</td>
<td>TOZ</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>Buy</td>
<td>USD 279.34</td>
<td>13,962</td>
<td>MT</td>
<td>4</td>
<td>(12)</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>Sell</td>
<td>USD 170.58</td>
<td>12,830</td>
<td>MT</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Coal</td>
<td>Buy</td>
<td>USD 75.61</td>
<td>50,000</td>
<td>MT</td>
<td>4</td>
<td>(2)</td>
</tr>
<tr>
<td>Coal</td>
<td>Sell</td>
<td>USD 68.75</td>
<td>50,000</td>
<td>MT</td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Buy</td>
<td>USD 34.55</td>
<td>6,500</td>
<td>BBL</td>
<td>-</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td><strong>84</strong></td>
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### Embedded derivatives

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional Value (in Millions)</th>
<th>Fair Value Gain/(Loss) (in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD 5,726.45</td>
<td>84,801</td>
<td>MT</td>
<td>486</td>
<td>501</td>
</tr>
<tr>
<td>Gold</td>
<td>Sell</td>
<td>USD 1,595.69</td>
<td>42,835</td>
<td>TOZ</td>
<td>68</td>
<td>7</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD 16.99</td>
<td>294,397</td>
<td>TOZ</td>
<td>5</td>
<td>7</td>
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<tr>
<td><strong>Total</strong></td>
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### Non-Designated Hedges

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional Value (in Millions)</th>
<th>Fair Value Gain/(Loss) (in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>Buy</td>
<td>USD 1,881.27</td>
<td>33,725</td>
<td>MT</td>
<td>63</td>
<td>4</td>
</tr>
<tr>
<td>Aluminium</td>
<td>Sell</td>
<td>USD 1,987.75</td>
<td>33,725</td>
<td>MT</td>
<td>67</td>
<td>20</td>
</tr>
<tr>
<td>Copper</td>
<td>Buy</td>
<td>USD 6,358.94</td>
<td>7,075</td>
<td>MT</td>
<td>45</td>
<td>6</td>
</tr>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD 6,510.95</td>
<td>12,625</td>
<td>MT</td>
<td>82</td>
<td>2</td>
</tr>
<tr>
<td>Gold</td>
<td>Buy</td>
<td>INR 3,288,031</td>
<td>4,474</td>
<td>KGS</td>
<td>14,711</td>
<td>(51)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>465</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2019:
<table>
<thead>
<tr>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional Value in Millions</th>
<th>Gain/(Loss) in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver</td>
<td>Buy</td>
<td>USD 15.43</td>
<td>217,134</td>
<td>TOZ</td>
<td>3</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD 15.55</td>
<td>69,015</td>
<td>TOZ</td>
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<tr>
<td>Furnace Oil</td>
<td>Buy</td>
<td>USD 363.67</td>
<td>9,998</td>
<td>MT</td>
<td>4</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>Sell</td>
<td>USD 417.39</td>
<td>9,998</td>
<td>MT</td>
<td>4</td>
</tr>
</tbody>
</table>

**Total (15)**

### Embedded derivatives

#### Fair Value Hedges

<table>
<thead>
<tr>
<th>Currency</th>
<th>Unit</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Notional Value in Millions</th>
<th>Fair Value Gain/(Loss) in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD 6,105.30</td>
<td>121,896</td>
<td>MT</td>
<td>755</td>
</tr>
<tr>
<td>Gold</td>
<td>Sell</td>
<td>USD 1,306.69</td>
<td>33,123</td>
<td>TOZ</td>
<td>43</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD 15.56</td>
<td>351,099</td>
<td>TOZ</td>
<td>5</td>
</tr>
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</table>

**Total (243)**

* Amount below rounding off convention.

**(E)** Details of amount held in OCI and the period during which these are going to be released and affecting Statement of Profit & Loss:

<table>
<thead>
<tr>
<th>Commodity Forwards/Futures/Swaps</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Closing Value in Hedging Reserve</td>
<td>Release</td>
</tr>
<tr>
<td></td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
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<tr>
<td>Aluminium</td>
<td>622</td>
<td>622</td>
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<tr>
<td>Copper</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Gold</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Silver</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>(64)</td>
<td>(63)</td>
</tr>
<tr>
<td>Coal</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td><strong>604</strong></td>
<td><strong>605</strong></td>
</tr>
</tbody>
</table>

### Non-Derivative Financial Instruments

<table>
<thead>
<tr>
<th>Instrument</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>(254)</td>
<td>(254)</td>
</tr>
<tr>
<td>Liability for Copper Concentrate</td>
<td>(59)</td>
<td>(59)</td>
</tr>
<tr>
<td>Foreign Currency Forwards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD_INR</td>
<td>(300)</td>
<td>(172)</td>
</tr>
<tr>
<td>EUR_INR</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Foreign Currency Swaps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD_INR</td>
<td>(139)</td>
<td>(139)</td>
</tr>
</tbody>
</table>

### Foreign Currency Options

<table>
<thead>
<tr>
<th>Instrument</th>
<th>31/03/2020</th>
<th>31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD_INR</td>
<td>(10)</td>
<td>(10)</td>
</tr>
<tr>
<td></td>
<td>(763)</td>
<td>(635)</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
<td>57</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>102</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
## Cost of Hedging Reserve

### Commodity Forwards/Futures/Swaps
- **Silver**:
  - Closing Value: 11 (31/03/2020), 11 (31/03/2019)
  - Gain/(Loss): Gain/(Loss)
- **Foreign currency Swaps**:
  - USD_INR: 184 (31/03/2020), 184 (31/03/2019)
  - Gain/(Loss): 2 (31/03/2020), 2 (31/03/2019)
- **Foreign currency Options**:
  - USD_INR: (2) (31/03/2020), (2) (31/03/2019)
  - Gain/(Loss): (2) (31/03/2020), (2) (31/03/2019)
- **Deferred Tax on above**: (64) (31/03/2020), (64) (31/03/2019)
- **Total**: 119 (31/03/2020), 119 (31/03/2019)

### Foreign currency Swaps
- **USD_INR**: 183 (31/03/2020), 183 (31/03/2019)
- Gain/(Loss): 772 (31/03/2020), 615 (31/03/2019), 157 (31/03/2019)

### Deferred Tax on above
- **USD_INR**: (64) (31/03/2020), (64) (31/03/2019)
- Gain/(Loss): (270) (31/03/2020), (215) (31/03/2019), (55) (31/03/2019)
- **Total**: 119 (31/03/2020), 119 (31/03/2019)

### (F) Gain/(loss) recognized in OCI and recycled:
1. **Amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2019-20:**

### Recycled

#### Cash Flow Hedges
- **Commodity**: 399 (31/03/2020), 805 (31/03/2019), 621 (31/03/2019)
- **Forex**: (96) (31/03/2020), (1,077) (31/03/2019), (409) (31/03/2019)

#### Total
- **Commodity**: 303 (31/03/2020), 272 (31/03/2019), 212 (31/03/2019)
- **Forex**: (1,077) (31/03/2019), (409) (31/03/2019), (410) (31/03/2019)

#### Deferred Tax on above
- **Total**: (270) (31/03/2020), (215) (31/03/2019), (240) (31/03/2019)

#### Total
- **Total**: 198 (31/03/2020), 176 (31/03/2019), 138 (31/03/2019)

#### Cost of Hedging Reserve
- **Commodity**: - (31/03/2020), 3 (31/03/2019), 2 (31/03/2019)
- **Forex**: 772 (31/03/2020), 94 (31/03/2019), 684 (31/03/2019)

#### Total
- **Commodity**: 772 (31/03/2020), 97 (31/03/2019), 686 (31/03/2019)
- **Deferred Tax on above**: (270) (31/03/2020), (34) (31/03/2019), (240) (31/03/2019)

#### Total
- **Total**: 502 (31/03/2020), 63 (31/03/2019), 446 (31/03/2019)
ii. Amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2018-19:

<table>
<thead>
<tr>
<th>Recycled</th>
<th>Opening Balance</th>
<th>Net Amount Recognised</th>
<th>Net Amount to P&amp;L</th>
<th>Net Amount added to Non-Financial Assets</th>
<th>Total Amount Recycled</th>
<th>Closing Balance before Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow Hedges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity</td>
<td>(219)</td>
<td>781</td>
<td>162</td>
<td>1</td>
<td>163</td>
<td>399</td>
</tr>
<tr>
<td>Forex</td>
<td>216</td>
<td>(983)</td>
<td>(671)</td>
<td>-</td>
<td>(671)</td>
<td>(96)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(3)</td>
<td>(202)</td>
<td>(509)</td>
<td>1</td>
<td>(508)</td>
<td>303</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
<td>2</td>
<td>71</td>
<td>178</td>
<td>-</td>
<td>178</td>
<td>(105)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1)</td>
<td>(131)</td>
<td>(331)</td>
<td>1</td>
<td>(330)</td>
<td>198</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recycled</th>
<th>Opening Balance</th>
<th>Net Amount Recognised</th>
<th>Net Amount to P&amp;L</th>
<th>Net Amount added to Non-Financial Assets</th>
<th>Total Amount Recycled</th>
<th>Closing Balance before Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost of Hedging</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity</td>
<td>-</td>
<td>(42)</td>
<td>(42)</td>
<td>-</td>
<td>(42)</td>
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<tr>
<td>Forex</td>
<td>995</td>
<td>200</td>
<td>423</td>
<td>-</td>
<td>423</td>
<td>772</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>995</td>
<td>158</td>
<td>381</td>
<td>-</td>
<td>381</td>
<td>772</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
<td>(348)</td>
<td>(55)</td>
<td>(133)</td>
<td>-</td>
<td>(133)</td>
<td>(270)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>647</td>
<td>103</td>
<td>248</td>
<td>-</td>
<td>248</td>
<td>502</td>
</tr>
</tbody>
</table>

### (G) Amount of gain/ (loss) recycled from Hedging Reserve and reference of the line item in Statement of Profit and Loss where those amounts are included:

<table>
<thead>
<tr>
<th>Note No.</th>
<th>Note Description</th>
<th>Nature of Products</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>Revenue From Operations</td>
<td>Aluminium Products</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>26</td>
<td>Revenue From Operations</td>
<td>Copper and Copper Products</td>
<td>1,010</td>
</tr>
<tr>
<td>26</td>
<td>Revenue From Operations</td>
<td>Precious Metals</td>
<td>2</td>
</tr>
<tr>
<td>36</td>
<td>Other Expenses</td>
<td>Gain/(Loss) on Derivatives</td>
<td>(116)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### (H) The adjustment as a part of the carrying value of inventories arising on account of fair value hedges is as follows:

#### Increase/ (Decrease) in Inventory Value

<table>
<thead>
<tr>
<th>Inventory Type</th>
<th>Raw Materials</th>
<th>WIP and Finished Goods</th>
<th>Total</th>
<th>Raw Materials</th>
<th>WIP and Finished Goods</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>(501)</td>
<td>-</td>
<td>(501)</td>
<td>251</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gold</td>
<td>(7)</td>
<td>6</td>
<td>(1)</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Silver</td>
<td>(7)</td>
<td>(43)</td>
<td>(50)</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(515)</td>
<td>(37)</td>
<td>(552)</td>
</tr>
</tbody>
</table>
(I) The Company’s hedging policy only allows for effective hedge relationships to be established. The effectiveness portion of hedge is recognised in OCI, while ineffective portion of hedge is recognised immediately in the statement of profit and loss. The Company uses hypothetical derivative method to assess effectiveness. Ineffectiveness may arise on account of differences in critical terms and credit risk of the hedging instrument and the hedged item.

The amount of gain/ (loss) recognised in the statement of profit and loss on account of hedge ineffectiveness is as follows:

<table>
<thead>
<tr>
<th>Type of Hedges</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>(113)</td>
</tr>
<tr>
<td>Fair Value Hedges</td>
<td>(12)</td>
</tr>
<tr>
<td></td>
<td>(125)</td>
</tr>
</tbody>
</table>

51. Leases

A. Lease liabilities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease liabilities against ROU assets</td>
<td>241 76</td>
</tr>
</tbody>
</table>

B. Transition Disclosures for Ind AS 116

Effective April 1, 2019 the Company has adopted Ind AS 116 Leases using modified retrospective approach in accordance with the modified retrospective transition method, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 116 has the following impact.

(i) Lease Liabilities Reconciliation

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating lease commitments disclosed on 31/03/2019</td>
<td>87</td>
</tr>
<tr>
<td>Effect of discounting</td>
<td>(17)</td>
</tr>
<tr>
<td>Finance lease liabilities as on 31/03/2019</td>
<td>33</td>
</tr>
<tr>
<td>Adjustments as a result of a different treatment of extension and termination option</td>
<td>127</td>
</tr>
<tr>
<td>Lease commitments not included in opening</td>
<td>75</td>
</tr>
<tr>
<td>Total Lease Liabilities as at 01/04/2019</td>
<td>305</td>
</tr>
</tbody>
</table>

Effect of change in accounting policy on the Financial Statements

(ii) Impact on Financial Statements

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Increase/ (Decrease)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and equipment</td>
<td>(Decrease)</td>
<td>(19)</td>
</tr>
<tr>
<td>Capital Work-in-Progress</td>
<td>(Decrease)</td>
<td>(2)</td>
</tr>
<tr>
<td>Right of Use assets</td>
<td>Increase</td>
<td>877</td>
</tr>
<tr>
<td>Other Non-Financial Assets</td>
<td>(Decrease)</td>
<td>(600)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>256</strong></td>
</tr>
</tbody>
</table>
Particulars | Increase/(Decrease) | Amount
---|---|---
Lease Liabilities | Increase | 305
Long-term Borrowings | (Decrease) | (33)
Other Financial Liabilities | (Decrease) | (2)
Retained Earnings # | (Decrease) | (14)
Total | | 256

# Deferred Tax Impact recognised in Retained Earnings on transition date is ₹ 5 Crore, refer Note 22.

(iii) The Company recognized ROU assets for the following asset categories:

<table>
<thead>
<tr>
<th>Right of Use Assets Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>712</td>
</tr>
<tr>
<td>Buildings</td>
<td>70</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>6</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>8</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>41</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>858</td>
</tr>
</tbody>
</table>

(iv) The Company has reclassified Finance Lease Assets from property, plant and equipment to Right of use assets pursuant to adoption of Ind AS 116.

| Particulars | As at 31/03/2019 |
|---|---|---|
| | Original Cost | Accumulated Depreciation | Carrying Value |
| Leased Plant and Machinery | 50 | 38 | 12 |
| Leased Furniture and Fixtures | 10 | 3 | 7 |
| Total | 60 | 41 | 19 |

(v) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 8.94%.

(vi) Practical expedients used by the entity in adoption of Ind AS 116
(a) The Company has not re-assessed whether a contract is or contains a lease at the date of initial application.
(b) The Company has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.
(c) Except for land leases, initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
(d) The Company has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as at the date of initial application.
(e) The Company has relied on its previous assessment on whether leases are onerous.

The Company has carried forward the amount of the Finance Lease Assets (reclassified as ROU asset) and Lease Liability recognized under Ind AS 17 immediately before the date of initial application.

(vii) The operating cash flows for the year ended March 31, 2020 has increased by ₹ 77 Crore and the financing cash flows have decreased by ₹ 77 Crore as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.
NOTES FORMING PART OF THE
STANDALONE FINANCIAL STATEMENTS

(viii) The Company leases land, buildings including storage premises, plant and machinery (including material
handling equipment), vehicles and aircrafts certain furniture and fixtures, office equipment.

(ix) The Company has applied IndAS 116 using Modified Approach, with the cumulative effect of initially applying
the new standard recognized at the date of initial application in the following manner:

Leasehold Land and Railway Sidings – recognized ROU asset at an amount equal to the lease liability
(discounted using the Company’s incremental borrowing rate at the date of initial application based on the
remaining lease term as at the date of initial application), adjusted by the amount of prepayments relating to
that lease recognized in the balance sheet immediately before the date of initial application.

Other Assets – recognized ROU assets at its carrying amount as if the standard had been applied since the
commencement date but discounted using the Company’s incremental borrowing rate at the date of initial
application based on the remaining lease term as at the date of initial application.

C. Operating Lease Disclosures under earlier Ind AS 17

The Company has entered into various leasing arrangements under operating lease:

(a) As a Lessee

The Company has entered in operating leases for land, material handling facilities, storage, rental premise
contracts under both cancellable and non-cancellable in nature. The rent for cancellable and non-cancellable
operating leases included in the statement of profit and loss for the year ended 31/03/2019 ` 91 Crore.

<table>
<thead>
<tr>
<th>Details of future minimum lease payments</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future aggregate minimum lease payment under Non-cancellable Operating Leases:</td>
<td></td>
</tr>
<tr>
<td>No later than 1 year</td>
<td>18</td>
</tr>
<tr>
<td>Later than 1 year and no later than 5 years</td>
<td>47</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
</tr>
</tbody>
</table>

(b) Operating Lease as Lessor

The Company has entered into operating leases for certain of its premises. All of these leases are cancellable
in nature (Refer Note 27).

52. There was an incident in Red Mud (Bauxite Residue) storage area connected to the Alumina plant situated at Muri,
Jharkhand, on April 9, 2019. The incident involved a spillage in the red mud cake storage area. The operations of the
plant remained suspended following the incident. The unit is in the business of producing and supplying Aluminium
Hydrate, primarily to Aluminium smelters of the Company for captive consumption. The operation of the plant remained
suspended till December 23, 2019. There was no material impact.

53. COVID-19 Impact on the Financial Statement

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there
has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply
chain, travel bans, quarantines, social distancing and other emergency measures. Certain plants of the Company
which had shut down operations during lock down period have since resumed operations in a phased manner.

The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance
sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Intangible
assets, Trade Receivables, Inventory, investments, other current and non-current assets and ability to pay its liabilities
as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that
there are no material impact or adjustments required in the stand-alone financial statements.
Management believes that it has taken into account all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the stand-alone financial statements. Management is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operations, if any, arising from COVID-19 pandemic is not expected to be significant. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

54. Note on acquisition of Aleris Corporation (Aleris)

On April 14, 2020, the Company completed the acquisition of Aleris Corporation (Aleris), a global supplier of rolled aluminium products through its wholly owned subsidiary Novelis in USA for payments made or to be made of ₹ 21,575 Crore ($2.8 Billion). By virtue of this acquisition, Aleris has now become a wholly owned subsidiary of Novelis, USA.

As a result of the antitrust review processes required for approval of the acquisition, the Company is obligated to divest Aleris’ European and North American automotive assets, including its plants in Duffel, Belgium (Duffel) and Lewisport, Kentucky (Lewisport).

In November 2019, the Company entered into a definitive agreement with London based Liberty House GHG (Liberty), for the sale of Duffel, which remains subject to approval from the State Administration for Market Regulation in China (SAMR) though we received conditional antitrust approval from SAMR in December 2019.

On March 9, 2020, the arbitrator assigned to resolve the dispute ruled in favour of the United States Department of Justice (DOJ). As a consequence of that ruling, we are now required to divest Lewisport, and we are currently in discussions with the DOJ regarding the allowed timeframe to consummate this sale.

Once a buyer for Lewisport has been identified, completion of the divestiture will be conditioned on the receipt of required regulatory approvals and will be subject to other customary closing conditions. Although the Company believes that the Lewisport asset group is marketable in its current condition and we intend to run a competitive sales process, there is no assurance that it will be possible to fully recover the investment made by the Company in these assets. In addition, in light of current adverse market conditions, the Company may not be able to complete the divestiture of Lewisport on favourable terms, in a timely manner, or at all. Delays or difficulties in divesting Duffel or Lewisport may result in additional expenditures of funds and management resources which would reduce the financial benefit that is expected from acquisition of Aleris and could have an adverse effect on the financial condition, results of operations and cash flows.

The Company is legally required to hold Duffel and Lewisport assets separately from the rest of Aleris assets and maintain them as viable and competitive till the sales are completed.

Presently, Novelis is in the process of finalizing the accounting for acquisition of Aleris, including allocation of purchase consideration to identifiable assets and liabilities.

55. Gare Palma IV/4 (GP-4) and Gare Palma IV/5 (GP-5) coal mines were acquired by the Company through auction conducted by the Nominated Authority (NA) constituted under the Ministry of Coal, Government of India. The Company was required to achieve certain Efficiency Parameters and reach their Peak Rated Capacity (PRC) during 2015-16. Performance Security in the form of Performance Bank Guarantees (PBG) of ₹ 318 Crore and ₹ 369 Crore for GP-4 and GP-5, respectively, were provided by the Company to NA in this regard.

Due to the various delays on the part of NA, PRC was achieved by the Company for both the mines during FY 2016-17. Having satisfied itself about achievement of Efficiency Parameters/PRC, NA returned the PBG in respect of GP-4 on June 19, 2017. However, in a volte face action, vide a letter dated 25th April, 2018, NA imposed a penalty equal to 20% of PBG amounting to ₹ 64 Crore for GP-4 and ₹ 74 Crore (refer Note 10) for GP-5. As the PBG for GP-5 was still with NA, it also appropriated an amount equal to the penalty from the PBG.
The above actions were contested by the Company and the Hon’ble Chhattisgarh High Court at Bilaspur has already given its judgment in favour of the Company in the matter related to GP-5. As per the judgment, Hon’ble High Court has asked NA to refund the amount apportioned by them and return the PBG to the Company. The Company’s appeal to quash the demand raised by NA in case of GP-4 is yet to be decided and is pending before the Mines Tribunal.

The Company further received two Show-Cause Notices dated December 3, 2019 from NA for shortfall in production of coal at the above mines for FY 2017-18 and FY 2018-19 compared to their respective mining plans. Through these notices, the NA has asked the Company to show cause why action should not be taken against the Company for recovery of an amount equal to the appropriation amount for the said defaults provided in Clause 6.3 and 10.3 of the Coal Mine Development and Production Agreement.

The Company has furnished its replies to both the notices vide letters dated December 17, 2019 contesting that the NA has no right under the aforesaid clauses to recover any amount from the Performance Security.

The NA has neither issued any further letter to the Company nor raised any demand against the Company in this regard.

56. Additional Information

A. As per Section 135 of Companies Act, 2013, a Corporate Social Responsibility Committee has been formed. As per the provisions of Companies Act 2013, amount not less than `38 Crore (year ended 31/03/2019) and `30 Crore should have been incurred during the year under CSR. The Company has incurred cash expenses amounting to `39 Crore (year ended 31/03/2019) in line with the CSR policy which is in conformity with the activities specified in Schedule VII of the Companies Act 2013.

B. Details of loans given, investments made and guarantee given covered under Section 186(4) of the Companies Act, 2013:

i. Details of investments made have been given as part of Note ‘5’ Investments in Subsidiary, Note ‘6’ Investments in Associates and Notes ‘7A and 7B’ Other Investments.

ii. Loans and Financial Guarantees given below:

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Relationship</th>
<th>Nature of Transaction</th>
<th>As at 31/03/2020</th>
<th>As at 31/03/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aditya Birla Science and Technology Company Private Limited</td>
<td>Associate</td>
<td>Loan</td>
<td>46</td>
<td>51</td>
</tr>
<tr>
<td>Suvas Holding Limited</td>
<td>Subsidiary</td>
<td>Loan</td>
<td>9</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>Relationship</th>
<th>Nature of Transaction</th>
<th>As at 31/03/2020</th>
<th>Maximum Outstanding during 2019-20</th>
<th>As at 31/03/2019</th>
<th>Maximum Outstanding during 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dahej Harbour and Infrastructure Limited</td>
<td>Subsidiary</td>
<td>Performance Guarantee</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

iii. Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below:

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>As at 31/03/2020</th>
<th>Maximum Outstanding during 2019-20</th>
<th>As at 31/03/2019</th>
<th>Maximum Outstanding during 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aditya Birla Science and Technology Company Private Limited</td>
<td>46</td>
<td>51</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Suvas Holdings Limited</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>
57. Figures for the previous year have been regrouped / reclassified, wherever necessary, to conform to the current year’s presentation.

As per our report annexed.

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

Sumit Seth
Partner
Membership Number: 105869

For and on behalf of the Board of Hindalco Industries Limited

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

Satish Pai
Managing Director
DIN-06646758

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
INDEPENDENT AUDITOR’S REPORT

To the Members of Hindalco Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Hindalco Industries Limited (hereinafter referred to as the ‘Holding Company’) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its joint ventures and associate companies (refer Note 53 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020 and the consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as “the consolidated financial statements”).

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint ventures and associate companies as at March 31, 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint ventures and associate companies in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 and 17 of the Other Matters paragraph below, other than the unaudited financial statements/financial information as certified by the management and referred to in sub-paragraph 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>How our audit addressed the key audit matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress consisting of precious metals</td>
<td>Our audit procedures relating to the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress of precious metals included the following:</td>
</tr>
<tr>
<td></td>
<td>• Understanding and evaluating the design and operating effectiveness of controls over physical count and measurement of such inventory;</td>
</tr>
<tr>
<td></td>
<td>• Evaluation of competency and capabilities of management’s experts;</td>
</tr>
<tr>
<td></td>
<td>• Physically observing inventory measurement and count procedures carried out by management using experts, to ensure its appropriateness and completeness and performing roll back procedures; and</td>
</tr>
</tbody>
</table>

Refer Notes 4(l) and 16 (d) to the consolidated financial statements.

Of the Holding Company’s ₹ 11,225 crores of inventory on hand as at March 31, 2020, ₹ 3,255 crores of inventory comprised of coal, bauxite, copper concentrate and work in progress consisting of precious metals.

This was determined a key audit matter, as the measurement of these inventory quantities lying at the Holding Company’s yards, smelters and refineries is complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos, etc.
Key audit matters

The Holding Company uses internal and external experts, as applicable to perform volumetric surveys and assessments, basis which the quantity for these inventories is estimated.

How our audit addressed the key audit matters

- Obtaining and inspecting, inventory measurement and physical count results for such inventories, including assessing and evaluating the results of analysis performed by management in respect of differences between book and physical quantities.

Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress inventories consisting of precious metals.

B. Provisions recognised and contingencies disclosed with regard to certain legal and tax matters

Refer Notes 4(k), 13, 15, 26, and 48 to the consolidated financial statements.

As at March 31, 2020, the Holding Company has paid deposits under protest, recognised provisions and disclosed contingent liabilities towards various legal and tax matters. There are number of legal, direct and indirect tax cases against the Holding Company, including environmental, mining, local and state levies, income tax holidays, availing of input tax credits etc.

This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources for recognising provisions and making related disclosures in the financial statements.

Our audit procedures relating to provisions recognised and contingencies disclosed regarding certain legal and tax matters included the following:

- Understanding and evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the financial statements in respect of these matters;
- Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management’s assessment of probability of outcome and the magnitude of potential loss, and testing related provisions and disclosures in the financial statements;
- Reviewing orders and other communication from regulatory authorities and management responses thereto;
- Reviewing management expert’s legal advice and opinion as applicable, obtained by the Holding Company’s management for evaluating certain legal matters and evaluating competence and capabilities of the experts; and
- Using auditor’s experts for assistance in evaluating certain significant and complex direct and indirect tax matters.

Based on the above procedures performed, we did not identify any material exceptions in the provisions recognised and contingent liabilities disclosed in the financial statements with regard to such legal and tax matters.

C. Accounting of derivatives and hedging transactions

Refer Notes 2 II (R), 12, 25 and 51 to the consolidated financial statements.

Holding Company’s financial performance is significantly impacted by fluctuations in prices of aluminium, copper, gold, silver, furnace oil, coal, foreign exchange rates and interest rates. The Holding Company takes a structured approach to the identification, quantification and hedging of such risks by using various derivatives (e.g. forwards, swaps, futures and embedded

Our audit procedures related to accounting of derivative and hedging transactions included the following:

- Understanding and evaluating the design and operating effectiveness of controls over accounting of derivative and hedging transactions;
- Testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including:
  - Understanding the risk management objectives and strategies for different types of hedging programs;
## INDEPENDENT AUDITOR’S REPORT

### Key audit matters

| Derivatives) in commodities and/or foreign currencies. These hedges are designated as either cash flow or fair value hedges, and in certain cases remains non-designated. |
| As at March 31, 2020, the carrying value of the Holding Company's derivatives included derivative assets amounting to ₹ 957 crores and derivative liabilities of ₹ 630 crores. Derivative and hedge accounting is considered a key audit matter, because of its significance to the financial statements, the volume, nature and types of hedging relationships, including complexity involved in the application of hedge accounting principles in accordance with Ind AS 109, Financial Instruments. |
| 
| Our audit procedures related to assessment of indication of impairment and RA of these CGUs included the following: |
| - Understanding and evaluating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount and RA of the CGUs; |
| - Using auditor’s experts for testing appropriateness of the method and model used for determining RA, mathematical accuracy of the model’s calculations and evaluating reasonableness of key assumptions used in future cash flow projections such as future metal prices, foreign exchange rates, discount rate, input costs and rate of growth over the estimation period; |
| - Evaluating competence and capabilities of the auditor’s experts; |
| - Performing sensitivity analysis over key assumptions to corroborate that RA of these CGUs is within a reasonable range, including the impact of Covid 19 pandemic assessment; and |
| - Testing related presentation and disclosures in the financial statements. |
| Based on the above procedures performed, we did not identify any material exceptions in the amounts, presentation and disclosures made in the financial statements relating to accounting of derivatives and hedging transactions. |

### How our audit addressed the key audit matters

| √ Evaluating that the hedging relationship consists only of eligible hedging instruments and hedged items; |
| √ Using auditor’s expert for assistance in verifying hedge effectiveness requirements of Ind AS 109, Financial Instruments, including the economic relationship between the hedged item and the hedging instrument. |
| - Evaluating competence and capabilities of the auditor’s experts; |
| - Testing appropriateness of hedge accounting to qualified hedge relationships i.e. cash flow and fair value hedges; and |
| - Testing related presentation and disclosures in the financial statements. |

Based on the above procedures performed, we did not identify any material exceptions in the amounts, presentation and disclosures made in the financial statements relating to accounting of derivatives and hedging transactions.

### D. Assessment of indication of impairment and the recoverable amount (RA) of certain Cash Generating Units (CGUs) within the Aluminium segment

Refer Notes 4(c), 6, 9 and 44 to the consolidated financial statements.

External sources of information such as changes in the market and economic environment, including the carrying amount of the net assets of the Holding Company being more than its market capitalisation as at March 31, 2020, decline in the Aluminium metal prices and impact of Covid 19 pandemic required Holding Company’s management to assess whether there is any indication of impairment and therefore make an estimate of RA of certain CGUs within Aluminium segment having carrying value of net assets of ₹ 30,290 crores as at March 31, 2020.

Based on such indications, impairment testing was performed by the Holding Company’s management in accordance with the requirements of Ind AS 36, Impairment of Assets. Management has calculated the RA of the CGUs using value in use method.

This is a key audit matter, because of the significant carrying value of these CGUs and the estimation uncertainty in assumptions used for calculating the RA of these CGUs such as future metal prices, foreign exchange rates, discount rate, input costs and rate of growth over the estimation period.

Our audit procedures related to assessment of indication of impairment and RA of these CGUs included the following:

- Understanding and evaluating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount and RA of the CGUs;
- Using auditor’s experts for testing appropriateness of the method and model used for determining RA, mathematical accuracy of the model’s calculations and evaluating reasonableness of key assumptions used in future cash flow projections such as future metal prices, foreign exchange rates, discount rate, input costs and rate of growth over the estimation period;
- Evaluating competence and capabilities of the auditor’s experts;
- Performing sensitivity analysis over key assumptions to corroborate that RA of these CGUs is within a reasonable range, including the impact of Covid 19 pandemic assessment; and
- Testing related presentation and disclosures in the financial statements.

Based on the above procedures performed, we did not note any material exceptions in the management’s assessment of the indication of impairment and conclusion that the RA of these CGUs within the Aluminium segment were not lower than their respective carrying amounts as at March 31, 2020.
5. The following information related to Key Audit Matter was included in the Memorandum of Work Performed dated June 10, 2020 issued by other auditor, whose audit report contained an unmodified audit opinion on the consolidated financial information of Novelis Inc. ("Novelis"), a subsidiary of the Holding Company, which has been reproduced by us as under:

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>How our audit addressed the key audit matters</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goodwill impairment assessment</strong></td>
<td>Our procedures included, among others:</td>
</tr>
<tr>
<td>The Company's consolidated goodwill balance was ₹ 20,113 crores (USD 2.6 Billion) at March 31, 2020. The Company conducts an impairment test as of the last day of March each year, or more frequently if events or circumstances indicate that the carrying value of goodwill may be impaired. Potential impairment is identified by comparing the recoverable value of a cash generating unit to its carrying value. The Company estimates the recoverable value based on fair value less cost to sell approach. The determination of recoverable value using the income and market approaches requires the use of estimates and assumptions related to selection of multiples and control premium for the market approach and sales volumes and prices, costs to produce, capital spending and discount rate for the income approach. Significant judgment is required by management when developing the fair value measurement of the cash generating units, which in turn led to significant auditor judgment, significant audit effort, and a high degree of auditor subjectivity in performing procedures to evaluate management's significant assumptions, including multiples, control premium for the market approach and sales volumes and prices, costs to produce, capital spending, and the discount rate for the income approach. Also, we involved professionals with specialized skill and knowledge to assist us. Refer Notes 13 and 40 in the consolidated financial information of Novelis.*</td>
<td></td>
</tr>
<tr>
<td>Our procedures included, among others:</td>
<td>We tested the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the valuation of the Company's cash generating units. Testing management's process for developing the fair value of the cash generating unit, evaluating the appropriateness of the discounted cash flow model used in the income approach, and evaluating the reasonableness of significant assumptions used by management in the income and market approaches. We evaluated the assumptions related to sales volumes and prices, costs to produce, and capital spending by considering the past performance of the cash generating units to forecasts, and whether they were consistent with evidence obtained both from external sources and in other areas of the audit. We utilised professionals with specialized skill and knowledge to assist in evaluating the appropriateness of the Company's discounted cash flow models, assessing the reasonableness of the discount rate and selection of multiples, developing an independent estimate of the control premium and comparing our independent estimate of the control premium to management's estimate. As a result of our procedures performed, no misstatements were noted.</td>
</tr>
</tbody>
</table>

* These notes are included in Note 4(b) and 8 of the consolidated financial statements.

6. The following information related to Key audit matter was included in the Memorandum of Work Performed dated May 28, 2020 along with audit report dated May 27, 2020 containing an unmodified audit opinion on the financial statements of Utkal Alumina International Limited ("Utkal"), a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, which has been reproduced by us as under:

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>How our audit addressed the key audit matters</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valuation of deferred tax assets, including recognised MAT credit</strong></td>
<td>Our audit procedures included:</td>
</tr>
<tr>
<td>The Company has significant amount of deferred tax assets, mainly resulting from net brought forward losses as per Income Tax Act. The valuation of deferred tax assets including MAT is significant to the audit because the risk exists that future taxable profits will not be sufficient to fully recover the deferred tax assets including MAT credit. Management supports</td>
<td>• Evaluating Management’s determination of the estimated manner in which the deferred tax asset would be utilised by comparing Management’s assessment to business plans and profit forecasts based on our knowledge of the business and the industry in which the company operates;</td>
</tr>
</tbody>
</table>

* These notes are included in Note 4(b) and 8 of the consolidated financial statements.
Key audit matters

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>How our audit addressed the key audit matters</th>
</tr>
</thead>
</table>
| the recoverability of the deferred tax assets mainly with income projections which contain estimates of and tax strategies for future taxable income. | • Critically assessing whether profit forecasts are reasonable in relation to historical trends, current year performance and future plans;  
| Refer Notes 9 & 36* of Utkal’s financial statements.                                                   | • We also reperformed the calculation of deferred taxes, checking that the correct tax rate was applied. We compared the tax plans with the company’s budget on a sample basis in terms of the recoverability of deferred tax assets from temporary differences and from loss carry forwards and MAT credit; and  
|                                                                                                     | • Using our own tax team to assist us in assessing the appropriateness of the level of deferred taxes recognised in the balance sheet. |

We assessed the adequacy of the income tax disclosures in the financial statements, setting out the basis of the deferred tax balance and the level of estimation involved.

On the above procedures performed, we did not identify any material exceptions in the recognition, measurement and disclosure of deferred taxes in the financial statements.

* These notes are included in Notes 14 and 41 of the consolidated financial statements.

Other information

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

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

**Auditor’s responsibilities for the audit of the consolidated financial statements**

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures and associate companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and its joint ventures and associate companies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures and associate companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including
INDEPENDENT AUDITOR’S REPORT

any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other matters

16. We did not audit the financial statements of seven subsidiaries and consolidated financial information of one subsidiary whose financial statements/financial information reflect total assets of ₹ 106,138 crores and net assets of ₹ 29,490 crores as at March 31, 2020, total revenue of ₹ 80,291 crores, total comprehensive income (comprising of profit after tax and other comprehensive income) of ₹ 3,902 crores and net cash inflows amounting to ₹ 10,466 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

17. The financial statements of one subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 235 crores and net assets of ₹ 84 crores as at March 31, 2020, total revenue of ₹ 288 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ 83 crores and net cash outflows amounting to ₹ 6 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company’s management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their respective country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company’s management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

18. We did not audit the financial statement of five subsidiaries, whose financial information reflect total assets of ₹ 77 crores and net assets of ₹ 43 crores as at March 31, 2020, total revenue of ₹ 57 crores, total comprehensive income (comprising of profit after tax and other comprehensive income) of ₹ 2 crores and net cash outflows amounting to ₹ 1 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group’s share of total comprehensive income (comprising of profit after tax and other comprehensive loss) of ₹ 4 crores for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of two joint ventures and three associate companies respectively, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Holding Company’s Management, these financial statements are not material to the Group.

19. The following other matter paragraph was included in the audit report on the financial statement of Utkal Alumina International Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants vide its report dated May 27, 2020, which has been reproduced by us as under:

“Our attendance at the year-end physical inventory verification done by the management was impracticable under the lock down restrictions imposed by the Government...”
of India and we have, therefore, performed alternate audit procedure as per the guidance provided in SA 501 ‘Audit Evidence- Specific Consideration for selected Items’ and have obtained comfort over the existence and conditions of the inventory at the year end. Our opinion is not modified in respect of the above matter”

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

**Report on other legal and regulatory requirements**

20. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its joint ventures and associate companies – Refer Notes 26 and 48 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2020 – Refer Note 25 and 26 to the consolidated financial statements in respect of such items as it relates to the Group, its joint ventures and associate companies.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, its joint ventures and associate companies incorporated in India except amount of ₹ * crores.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.

* represent figures below the rounding convention used in this report

21. The Group, its joint ventures and associate companies has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Sumit Seth
Partner
Membership Number: 105869
UDIN 20105869AAAAAG9068
Mumbai
June 12, 2020
ANNEXURE A TO INDEPENDENT AUDITOR’S REPORT

Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Hindalco Industries Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its joint ventures and associate companies, which are companies incorporated in India, as of that date.

Management’s responsibility for internal financial controls

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

Auditor’s responsibility

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

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

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

Meaning of internal financial controls with reference to financial statements

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

Inherent limitations of internal financial controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009
Sumit Seth
Partner
Membership Number: 105869
UDIN 20105869AAAAAG9068
Mumbai
June 12, 2020
## CONSOLIDATED BALANCE SHEET

as at March 31, 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>ASSETS</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
</tr>
<tr>
<td></td>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Property, Plant and Equipment (including ROU Assets)</td>
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<td>66,067</td>
</tr>
<tr>
<td></td>
<td>Capital Work-in-Progress</td>
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<td>Investment Property</td>
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<td>Goodwill</td>
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<td>Other Intangible Assets</td>
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<td>Intangible Assets under Development</td>
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<td>Equity Accounted Investments</td>
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<td>Financial Assets</td>
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<td>Investments</td>
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<td>Other Financial Assets</td>
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<td></td>
<td>Non-Current Tax Assets (Net)</td>
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<td>Deferred Tax Assets (Net)</td>
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<td>Other Non-Current Assets</td>
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<td>Current Assets</td>
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<td>Inventories</td>
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<td>Financial Assets</td>
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<td>Cash and Cash Equivalents</td>
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<td></td>
<td>Bank Balances other than Cash and Cash Equivalents</td>
<td>19</td>
<td>266</td>
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<tr>
<td></td>
<td>Loans</td>
<td>11</td>
<td>55</td>
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<td></td>
<td>Other Financial Assets</td>
<td>12B</td>
<td>3,192</td>
</tr>
<tr>
<td></td>
<td>Current Tax Assets (Net)</td>
<td>13</td>
<td>255</td>
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<td></td>
<td>Other Current Assets</td>
<td>15</td>
<td>3,093</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>66,172</td>
</tr>
<tr>
<td></td>
<td>Non-Current Assets or Disposal Group Classified as Held For Sale</td>
<td>20</td>
<td>110</td>
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<td></td>
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<td>EQUITY AND LIABILITIES</td>
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<td></td>
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<td></td>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity Share Capital</td>
<td>21</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td>Other Equity</td>
<td>22</td>
<td>58,095</td>
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<td></td>
<td>Non-Controlling Interest</td>
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<tr>
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<td></td>
<td></td>
<td>58,327</td>
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</tbody>
</table>
### Liabilities

#### Non-Current Liabilities

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Note</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings 23A</td>
<td>58,379</td>
<td>48,032</td>
<td></td>
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<tr>
<td>Lease Liabilities 54</td>
<td>872</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Trade Payables 24</td>
<td>254</td>
<td>-</td>
<td></td>
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<tr>
<td>(I) Outstanding Dues of Micro Enterprises and Small Enterprises</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>(II) Outstanding Dues other than Micro Enterprises and Small Enterprises</td>
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<td>2</td>
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<tr>
<td>Other Financial Liabilities 25A</td>
<td>334</td>
<td>179</td>
<td></td>
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<td>Provisions 26</td>
<td>8,337</td>
<td>7,244</td>
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<td>Contract Liabilities 28</td>
<td>14</td>
<td>19</td>
<td></td>
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<tr>
<td>Deferred Tax Liabilities (Net) 14</td>
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<td>4,526</td>
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<td>Other Non-Current Liabilities 27</td>
<td>1,377</td>
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#### Current Liabilities

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Note</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings 23B</td>
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<td>4,226</td>
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<td>Lease Liabilities 54</td>
<td>270</td>
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<tr>
<td>Trade Payables 24</td>
<td>254</td>
<td>-</td>
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<tr>
<td>(I) Outstanding Dues of Micro Enterprises and Small Enterprises</td>
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<td>20,708</td>
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<td>(II) Outstanding Dues other than Micro Enterprises and Small Enterprises</td>
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<td>-</td>
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<tr>
<td>Other Current Liabilities 27</td>
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<td>1,456</td>
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<td>Contract Liabilities 28</td>
<td>188</td>
<td>178</td>
<td></td>
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<td>Current Tax Liabilities (Net) 13</td>
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<td>1,425</td>
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</tr>
</tbody>
</table>

| Liability Associated with Disposal Group Classified as Held For Sale 20 | 37,217 | 34,025 |

| Basis of Preparation and Significant Accounting Policies 2 |

* Amount below rounding off convention.

The accompanying Notes are an integral part of the Consolidated Financial Statements. This is the Consolidated Balance Sheet referred in our report of even date.

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

**Sumit Seth**
Partner
Membership Number: 105869

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

**Anil Malik**
Company Secretary
DIN-00026078

For and on behalf of the Board of Hindalco Industries Limited

**Satish Pai**
Managing Director
DIN-06646758

**K N Bhandari**
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
HINDALCO INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2020

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from Operations</td>
<td>29</td>
<td>118,144</td>
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<td>Other Income</td>
<td>30</td>
<td>1,186</td>
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<td><strong>Total Income</strong></td>
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<td>119,330</td>
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<td><strong>EXPENSES</strong></td>
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<td></td>
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<tr>
<td>Cost of Materials Consumed</td>
<td>31</td>
<td>68,032</td>
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<td>Trade Purchases</td>
<td>32</td>
<td>256</td>
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<tr>
<td>Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</td>
<td>33</td>
<td>(17)</td>
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<td>Employee Benefits Expenses</td>
<td>34</td>
<td>8,832</td>
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<td>Power and Fuel</td>
<td>35</td>
<td>9,695</td>
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<td>Finance Costs</td>
<td>36</td>
<td>4,197</td>
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<tr>
<td>Depreciation and Amortization</td>
<td>37</td>
<td>5,091</td>
</tr>
<tr>
<td>Impairment Loss/ (Reversal) of Non-Current Assets (Net)</td>
<td>38</td>
<td>44</td>
</tr>
<tr>
<td>Impairment Loss on Financial Assets (Net)</td>
<td>39A</td>
<td>56</td>
</tr>
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<td>Other Expenses</td>
<td>39B</td>
<td>16,940</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>113,126</td>
</tr>
<tr>
<td>Profit/ (Loss) before Share in Profit/ (Loss) in Equity Accounted Investments, Exceptional Items and Tax</td>
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<td>6,204</td>
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<tr>
<td>Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)</td>
<td>53</td>
<td>4</td>
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<tr>
<td>Profit/ (Loss) before Exceptional Items and Tax</td>
<td>40</td>
<td>6,208</td>
</tr>
<tr>
<td>Exceptional Income/ (Expenses) (Net)</td>
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<td>284</td>
</tr>
<tr>
<td><strong>Profit/ (Loss) before Tax</strong></td>
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<td>5,924</td>
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<td><strong>Tax Expenses</strong></td>
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<td>41</td>
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<td>Current Tax</td>
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<td><strong>Profit/ (Loss) for the year</strong></td>
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<td>3,767</td>
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<td><strong>Other Comprehensive Income/ (Loss)</strong></td>
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<td>42</td>
</tr>
<tr>
<td>Items that will not be reclassified to Statement of Profit and Loss</td>
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<td></td>
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<tr>
<td>Remeasurement of Defined Benefit Obligation</td>
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<tr>
<td>Change in Fair Value of Equity Instruments Designated as FVTOCI</td>
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<td>(2,676)</td>
</tr>
<tr>
<td>Share in Equity Accounted Investments</td>
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<td>*</td>
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<tr>
<td>Income Tax effect</td>
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<td>175</td>
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<tr>
<td>Items that will be reclassified to Statement of Profit and Loss</td>
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<td></td>
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<tr>
<td>Change in Fair Value of Debt Instruments Designated as FVTOCI</td>
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<tr>
<td>Effective Portion of Cash Flow Hedges (including cost of Hedging)</td>
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<td>(1,229)</td>
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<tr>
<td>Foreign Currency Translation Reserve</td>
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<td>Income Tax effect</td>
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<td><strong>Other Comprehensive Income/ (Loss) for the year</strong></td>
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<td><strong>Total Comprehensive Income/ (Loss) for the year</strong></td>
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<td>1,044</td>
</tr>
<tr>
<td>Note</td>
<td>Year ended 31.03.2020</td>
<td>Year ended 31.03.2019</td>
</tr>
<tr>
<td>------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td><strong>Profit/ (Loss) attributable to:</strong></td>
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<tr>
<td>Owners of the Company</td>
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<tr>
<td>Non-Controlling Interests</td>
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<td>(1)</td>
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<tr>
<td><strong>Other Comprehensive Income/ (Loss) attributable to:</strong></td>
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<tr>
<td>Owners of the Company</td>
<td>(2,723)</td>
<td>(2,466)</td>
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<tr>
<td>Non-Controlling Interests</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income/ (Loss) attributable to:</strong></td>
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<td></td>
</tr>
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<td>3.030</td>
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<tr>
<td>Non-Controlling Interests</td>
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<td>(1)</td>
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<td><strong>Earnings Per Share:</strong></td>
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<td>Basic (₹)</td>
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<td>24.67</td>
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<tr>
<td>Diluted (₹)</td>
<td>16.93</td>
<td>24.66</td>
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</tbody>
</table>

**Basis of Preparation and Significant Accounting Policies**

2

* Amount below rounding off convention.

The accompanying Notes are an integral part of the Consolidated Financial Statements. This is the Consolidated Statement of Profit and Loss referred in our report of even date.

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

For and on behalf of the Board of Hindalco Industries Limited

Sumit Seth
Partner
Membership Number: 105869

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

Anil Malik
Company Secretary
DIN-00026078

Satish Pai
Managing Director
DIN-06646758

K N Bhandari
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

### A. Equity Share Capital

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at April 01, 2018</td>
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<td>223</td>
</tr>
<tr>
<td>Changes in Equity Share Capital</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Balance as at March 31, 2019</td>
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<td>222</td>
</tr>
<tr>
<td>Changes in Equity Share Capital</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Balance as at March 31, 2020</td>
<td>21</td>
<td>222</td>
</tr>
</tbody>
</table>

### B. Other Equity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at April 01, 2018</td>
<td>*</td>
<td>4 147 104 5,799 8,197 900 16 - 17 21,370 11,095</td>
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<tr>
<td>Profit/(Loss) for the year</td>
<td>-</td>
<td>- - - - - - - - - - - - - -</td>
</tr>
<tr>
<td>Other Comprehensive Income/(Loss)</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Total Comprehensive Income/(Loss) for the year</td>
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<td>- - - - - - - -</td>
</tr>
<tr>
<td>Hedging (gain)/loss and cost of hedging transferred to non-financial assets</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Transfer to Debenture Redemption Reserve</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Transfer to Special Reserve</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners</td>
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<td>- - - - - - - -</td>
</tr>
<tr>
<td>Issue of Equity Share Capital</td>
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<td>- - - - - - - -</td>
</tr>
<tr>
<td>Share Application Money Received during the year</td>
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<td>- - - - - - - -</td>
</tr>
<tr>
<td>Shares Acquired by the Trust</td>
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<td>- - - - - - (123) - - - -</td>
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<tr>
<td>Employee Share Based Transactions</td>
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</tr>
<tr>
<td>Employee Share Options Expenses</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Dividend Paid</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Dividend Distribution Tax</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Change in Ownership Interest in Subsidiaries</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Other Charges</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Balance as at March 31, 2019</td>
<td>22</td>
<td>* 4 147 104 5,799 8,206 1,000 21 (123) 19 21,370 16,006</td>
</tr>
<tr>
<td>Transition Impact - Leases</td>
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<td>- - - - - - - -</td>
</tr>
<tr>
<td>Profit/(Loss) for the year</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Other Comprehensive Income/(Loss) for the year</td>
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<td>- - - - - - - -</td>
</tr>
<tr>
<td>Total Comprehensive Income/(Loss) for the year</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
</tbody>
</table>

### Transition Impact - Leases

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain/(Loss) on Equity Instruments FVTOCI</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Gain/(Loss) on Debt Instruments FVTOCI</td>
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<td>- - - - - - - -</td>
</tr>
<tr>
<td>Effective portion of Cash Flow Hedge</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Cost of Hedging Reserve</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Foreign Currency Translation Reserve</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Attributable to Owners of the Company</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Attributable to Non-controlling Interests</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Total Other Equity</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
</tbody>
</table>

### Other Comprehensive Income/(Loss)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain/(Loss) on Equity Instruments FVTOCI</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Gain/(Loss) on Debt Instruments FVTOCI</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Effective portion of Cash Flow Hedge</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Cost of Hedging Reserve</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Foreign Currency Translation Reserve</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Attributable to Owners of the Company</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
<tr>
<td>Attributable to Non-controlling Interests</td>
<td>-</td>
<td>- - - - - - - -</td>
</tr>
</tbody>
</table>
### B. Other Equity

**Particulars** | **Share Application Money Pending Allotment** | **Equity Component of Other Financial Instruments** | **Reserves and Surplus** | **Other Reserves** | **Total Other Equity**
---|---|---|---|---|---
Hedging (gain)/loss and cost of hedging transferred to non-financial assets | - | - | - | - | -
Transfer to Debenture Redemption Reserve | - | - | 150 | - | (150)
Transfer to Special Reserve | - | - | - | - | -
Transactions with owners in their capacity as owners | - | - | - | - | -
Issue of Equity Shares Capital | - | - | - | - | -
Share Application Money Received during the year | - | - | - | - | -
Share in Equity Accounted Investments | - | - | - | - | -
Shares Acquired by the Trust | - | - | 12 | - | -
Employee Share Option Expenses | - | - | 28 | - | -
Employee Share Option Lapsed/Forfeited | - | - | 28 | - | -
Dividend Paid | - | - | (267) | - | -
Dividend Distribution Tax | - | - | (55) | - | -
Change in Ownership Interest in Subsidiaries | - | - | (53) | - | -
Other Changes | - | - | - | - | -
Balance as at March 31, 2020 | 22 | * | 4 | 147 | 104 | 5,799 | 8,218 | 1,230 | 44 | (130) | 19 | 21,370 | 18,806 | 325 | 7 | (130) | 119 | 4,147 | 104 | 5,799 | 8,218 | 1,230 | 44 | (130) | 19 | 21,370 | 18,806 | 325 | 7 | (130) | 119 | 2,193 | 58,095 | 10 | 58,105

* Amount below rounding off convention.

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

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Sumit Seth
Partner
Membership Number: 105869

For and on behalf of the Board of Hindalco Industries Limited
Praveen Kumar Maheshwari
Managing Director
DIN-00174361
Anil Malik
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

<table>
<thead>
<tr>
<th>A. CASH FLOW FROM OPERATING ACTIVITIES</th>
<th>Note</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/ (Loss) before Tax</td>
<td></td>
<td>5,924</td>
<td>8,083</td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Costs</td>
<td>36</td>
<td>4,197</td>
<td>3,778</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>37</td>
<td>5,091</td>
<td>4,777</td>
</tr>
<tr>
<td>Impairment Loss/ (Reversal) of Non-current Assets (Net)</td>
<td>6, 9</td>
<td>109</td>
<td>(11)</td>
</tr>
<tr>
<td>Impairment Loss on Financial Assets (Net)</td>
<td>39A</td>
<td>56</td>
<td>29</td>
</tr>
<tr>
<td>Impairment Loss on Non Financial Assets (Net)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Settled Share-based Payment</td>
<td>34</td>
<td>28</td>
<td>10</td>
</tr>
<tr>
<td>Liabilities no Longer required Written-back</td>
<td>(83)</td>
<td>(40)</td>
<td></td>
</tr>
<tr>
<td>Share in (Profit)/ Loss in Equity Accounted Investments (Net of Tax)</td>
<td>53</td>
<td>(4)</td>
<td>*</td>
</tr>
<tr>
<td>Unrealised Foreign Exchange (Gain)/ Loss (Net)</td>
<td></td>
<td>47</td>
<td>(18)</td>
</tr>
<tr>
<td>Unrealised (Gain)/ Loss on Derivative Transactions (Net)</td>
<td></td>
<td>(182)</td>
<td>(58)</td>
</tr>
<tr>
<td>Fair Value (Gain)/ Loss on modification of borrowings</td>
<td></td>
<td>(20)</td>
<td>(75)</td>
</tr>
<tr>
<td>(Gain)/ Loss on Assets Held for Sale (Net)</td>
<td>39B</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>(Gain)/Loss on Property, Plant and Equipment and Intangible Assets Sold/ Discarded (Net)</td>
<td>30</td>
<td>7</td>
<td>67</td>
</tr>
<tr>
<td>Interest Income</td>
<td>30</td>
<td>(289)</td>
<td>(543)</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>30</td>
<td>(35)</td>
<td>(45)</td>
</tr>
<tr>
<td>(Gain)/ Losses on Investments measured at FVTPL (Net)</td>
<td>30</td>
<td>(456)</td>
<td>(323)</td>
</tr>
<tr>
<td>Exceptional Income</td>
<td></td>
<td>(25)</td>
<td>-</td>
</tr>
<tr>
<td>Realised Gain/ (Loss) of Cash Flow Hedges in OCI (Net)</td>
<td></td>
<td>(412)</td>
<td>(71)</td>
</tr>
<tr>
<td>Other Non-operating (Income)/ Expenses (Net)</td>
<td></td>
<td>(11)</td>
<td>(4)</td>
</tr>
<tr>
<td>Operating Profit before Working Capital Changes</td>
<td></td>
<td>13,945</td>
<td>15,548</td>
</tr>
<tr>
<td>Changes in Working Capital:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/ Decrease in Inventories (Net)</td>
<td></td>
<td>(347)</td>
<td>(9)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Trade Receivables</td>
<td></td>
<td>2,424</td>
<td>(1,362)</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Financial Assets</td>
<td></td>
<td>(365)</td>
<td>317</td>
</tr>
<tr>
<td>(Increase)/ Decrease in Non Financial Assets</td>
<td></td>
<td>(78)</td>
<td>(407)</td>
</tr>
<tr>
<td>Increase/ (Decrease) in Trade Payables</td>
<td></td>
<td>(2,523)</td>
<td>(143)</td>
</tr>
<tr>
<td>Increase/ (Decrease) in Financial Liabilities</td>
<td></td>
<td>262</td>
<td>(159)</td>
</tr>
<tr>
<td>Increase/Decrease in Non Financial Liabilities (incl. contract liabilities)</td>
<td></td>
<td>(551)</td>
<td>80</td>
</tr>
<tr>
<td>Cash Generation from Operation before Tax</td>
<td></td>
<td>12,767</td>
<td>13,865</td>
</tr>
<tr>
<td>Refund/ (Payment) of Income Tax (Net)</td>
<td></td>
<td>(102)</td>
<td>(1,888)</td>
</tr>
<tr>
<td>Net Cash Generated/ (Used) - Operating Activities</td>
<td></td>
<td>12,665</td>
<td>11,977</td>
</tr>
<tr>
<td>B. CASH FLOW FROM INVESTMENT ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire Property, Plant and Equipment and Intangible Assets</td>
<td></td>
<td>(6,791)</td>
<td>(6,001)</td>
</tr>
<tr>
<td>Proceeds from disposal of Property, Plant and Equipment and Intangible Assets</td>
<td></td>
<td>59</td>
<td>33</td>
</tr>
<tr>
<td>Sale proceeds from Slump Sale</td>
<td></td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Investment in equity accounted investees</td>
<td></td>
<td>(3)</td>
<td>(6)</td>
</tr>
<tr>
<td>Investment in Equity Shares at FVTOCI</td>
<td></td>
<td>(653)</td>
<td>-</td>
</tr>
<tr>
<td>(Purchase)/ Sale of Other Investments (Net)</td>
<td></td>
<td>(1,578)</td>
<td>(308)</td>
</tr>
<tr>
<td>Loans and Deposits given</td>
<td></td>
<td>(55)</td>
<td>(261)</td>
</tr>
<tr>
<td>Receipt of Loans and Deposits given</td>
<td></td>
<td>321</td>
<td>355</td>
</tr>
<tr>
<td>Interest Received</td>
<td></td>
<td>283</td>
<td>508</td>
</tr>
<tr>
<td>Dividend Received</td>
<td></td>
<td>48</td>
<td>32</td>
</tr>
<tr>
<td>Receipts of government grants</td>
<td></td>
<td>33</td>
<td>-</td>
</tr>
<tr>
<td>Lease payments received from finance lease</td>
<td></td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Generated/ (Used) - Investing Activities</td>
<td></td>
<td>(8,301)</td>
<td>(5,648)</td>
</tr>
</tbody>
</table>
### C. CASH FLOW FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issue of Equity Shares (Including Share Application Money)</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Treasury Shares acquired by ESOP Trust</td>
<td>(7)</td>
<td>(124)</td>
</tr>
<tr>
<td>Redemption of Debenture</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td>Proceeds from Long-Term Borrowings</td>
<td>15,537</td>
<td>7</td>
</tr>
<tr>
<td>Pre-Payment of Long-Term Borrowings</td>
<td>-</td>
<td>(1,575)</td>
</tr>
<tr>
<td>Repayment of Long-Term Borrowings</td>
<td>(8,308)</td>
<td>(818)</td>
</tr>
<tr>
<td>Principal Payments of Lease Liabilities (March 31, 2019 - Principal payments of finance lease obligations)</td>
<td>(334)</td>
<td>(27)</td>
</tr>
<tr>
<td>Proceeds from (Repayment of) Current Borrowings (Net)</td>
<td>4,054</td>
<td>972</td>
</tr>
<tr>
<td>Finance Cost Paid</td>
<td>(4,016)</td>
<td>(3,581)</td>
</tr>
<tr>
<td>Dividend Paid (including Dividend Distribution Tax)</td>
<td>(320)</td>
<td>(323)</td>
</tr>
<tr>
<td><strong>Net Cash Generated/ (Used) - Financing Activities</strong></td>
<td><strong>6,610</strong></td>
<td><strong>(5,466)</strong></td>
</tr>
<tr>
<td><strong>Net Increase/ (Decrease) in Cash and Cash Equivalents</strong></td>
<td><strong>10,974</strong></td>
<td>863</td>
</tr>
<tr>
<td><strong>Add : Opening Cash and Cash Equivalents</strong></td>
<td><strong>9,095</strong></td>
<td>8,040</td>
</tr>
<tr>
<td><strong>Add : Effect of exchange variation on Cash and Cash Equivalents</strong></td>
<td><strong>1,200</strong></td>
<td>192</td>
</tr>
<tr>
<td><strong>Closing Cash and Cash Equivalents</strong></td>
<td><strong>21,269</strong></td>
<td><strong>9,095</strong></td>
</tr>
</tbody>
</table>

**Reconciliation of Closing Cash and Cash Equivalents with Balance Sheet:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents as per Balance Sheet</td>
<td>21,303</td>
</tr>
<tr>
<td>Less: Fair Value adjustments in Liquid Investments</td>
<td>(6)</td>
</tr>
<tr>
<td>Less: Temporary Overdraft Balance in Current Accounts</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents as per Cash Flow Statement</strong></td>
<td><strong>21,269</strong></td>
</tr>
</tbody>
</table>

**Supplemental Information**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Right of Use Assets</td>
<td>447</td>
</tr>
<tr>
<td>Capitalised interest paid included in Investing activities</td>
<td>102</td>
</tr>
</tbody>
</table>

**Basis of Preparation and Significant Accounting Policies**

| Description                                                                 | 2               |

* Amount below rounding off convention.

The accompanying Notes are an integral part of the Consolidated Financial Statements. This is the Consolidated Statement of Cash Flows referred in our report of even date.

**For Price Waterhouse & Co Chartered Accountants LLP**
For and on behalf of the Board of Hindalco Industries Limited
Firm Registration Number: 304026E/E-300009

**Sumit Seth**
Partner
Membership Number: 105869

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

**Anil Malik**
Company Secretary

**Satish Pai**
Managing Director
DIN-06646758

**Anil Malik**
Company Secretary

**K N Bhandari**
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020

Greener. Stronger. Smarter
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. **Company Overview**

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

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

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

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

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

The equity shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange and Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

2. **Basis of Preparation and Significant Accounting Policies**

I. **Basis of Preparation**

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

The Group’s consolidated financial statements for the year ended March 31, 2020 have been approved for issue by the Board of Directors of the Company in their meeting held on June 12, 2020.

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

- Financial instruments - measured at fair value;
- Assets held for sale - measured at fair value less cost to sell;
- Plan assets under defined benefit plans - measured at fair value;
- Inventory designated in fair value hedge relationship: and
- Employee share-based payments.

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

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

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

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable.
Adoption of new Accounting Standards

The Group has applied the following Accounting Standards and its amendments for the first time for annual reporting period commencing April 1, 2019:

a) **Ind AS 116 - Leases**:
   On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, ‘Leases’ as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing Ind AS 17, Leases with effect from April 1, 2019 (the effective date). Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. However, there was no major change in accounting from a Lessor perspective.

(b) **Other amendments**
   On March 30, 2019, MCA has issued Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

i) **Ind AS 12 - Income taxes**
   Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. It also provides specific guidance in several areas where previously Ind AS 12 was silent. There are no new disclosure requirements in appendix. However, the Group is required to add explanations on judgements and estimates made in uncertain tax treatment. New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

ii) **Ind AS 19 - Employment Benefits**
   This amendment requires an entity to:
   1) Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
   2) Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and separately recognise any changes in the asset ceiling through other comprehensive income. This amendment is applicable for any future plan amendments, curtailments, or settlements of the group on or after April 1, 2019.

iii) **Ind AS 23 - Borrowing Costs**
   Amendment to Ind AS 23 - Borrowing Costs clarify that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

iv) **Ind AS 28 - Investments in Associates and Joint Ventures**
   Amendment to Ind AS 28 - Investments in Associates and Joint Ventures clarifies that long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture and to which the equity method is not applied should be accounted for using Ind AS 109 - Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28.

v) **Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements**
   Amendment has been made to Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

A. Principles of Consolidation

Subsidiaries

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

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

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

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

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

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

**Interest in Associates and Joint Ventures**

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

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

The Group’s interest in its associates or joint ventures are accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Under equity method, the investment in an associate or a joint venture is initially recognised at cost and adjusted thereafter to recognise the changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as Goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognised in equity as Capital Reserve in the period in which the investment is acquired.

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

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

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

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

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

When the Group classified its investments, or a portion thereof, in associate or joint venture as held for sale, it discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

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

B. Business Combination

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

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

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

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

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

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

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

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

C. Interest in Joint Operations

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

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

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.
The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standard applicable to the particular assets, liabilities, revenues and expenses.

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

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

D. **Property, Plant and Equipment**

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

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

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

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

**Capital work-in-progress**

Capital work-in-progress comprise of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management’s intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

**Depreciation**

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewal options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset.

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

The useful life of the items of Property, Plant and Equipment estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013. (refer Note 6)

**Disposal of assets**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss.
E. Investment Property
Investment properties held to earn rentals or for capital appreciation or both are stated in the consolidated balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the consolidated statement of profit and loss. Transfer to, or from, investment property is at the carrying amount of the property.

F. Intangible Assets (Other than goodwill)

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

**Internally-generated intangible assets**
Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- management’s intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

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

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

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

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

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

The Group measure its Exploration and Evaluation assets at cost and classifies it as Property, Plant and Equipment or Intangible Assets according to the nature of assets acquired and applies the classification consistently.
As the assets is not available for use, it is not depreciated but are monitored for indication of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting minerals resources are demonstrable and the development of the deposit is intended by the management. The carrying value of such exploration and evaluation asset is reclassified as Mining Rights.

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

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

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

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore, provided all the following conditions are met:

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

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

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

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

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

A gain or loss not previously recognised by the date of derecognition is recognised as a completed sale within one year from the date of derecognition.

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

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

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

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on
J. Impairment

Impairment of Non-financial assets excluding Goodwill

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

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

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

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

Refer accounting policy on “Goodwill” for impairment of goodwill.

K. Foreign Currency Transactions and Translation

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measures at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).
For the purposes of presenting consolidated financial statements, the assets, liabilities and equity (except retained earnings) of foreign operations are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their income and expenses are translated at the exchange rates prevailing at the date of transactions. For practical reason, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in equity. Accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated statement of profit and loss.

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

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit and loss. For partial disposals of investment in associates or joint arrangements that do not result in the Group losing significant influence or joint control, the proportionate share of the accumulated exchange differences is reclassified in the consolidated statement of profit and loss.

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

L. Provisions and Contingencies

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

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

Onerous contracts

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

Restructurings

A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected that the Company will carry out the restructuring by stating to implement the plan or announcing its main feature to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

Contingent liabilities acquired in a business combination

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

Restoration (including Mine closure), rehabilitation and decommissioning

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

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

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

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

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

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

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

**M. Leases**

i) **Accounting policy effective from April 1, 2019:**

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

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

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

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

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

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

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

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

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

The Group applies Ind AS 36 - Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on ‘property, plant and equipment’.

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

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

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

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

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

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

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

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

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

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

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so

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as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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

ii) Accounting policy till March 31, 2019:
Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, unless the receipts are structured to increase in line with an inflation price index or another systematic basis which is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee
Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless the payments are structured to increase in line with an inflation price index or another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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

Cost of raw material comprises of Cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition.

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

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

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

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

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

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

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

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

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

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

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

Financial assets at amortised cost and the effective interest method
Debt instruments are measured at amortised cost if both of the following conditions are met:

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

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

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

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

Financial assets at fair value through other comprehensive income (FVTOCI)
Debt instruments are measured at FVTOCI if both of the following conditions are met:

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

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

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

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

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

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

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

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

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

**Impairment of financial assets**

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

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

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

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

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.
For Trade Receivables and Contract Assets, the Group applies the simplified approach required by Ind AS 109, which requires expected life time losses to be recognized from initial recognition of the receivables.

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

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

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

Financial liabilities and equity instruments issued by the Group

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

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

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

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

- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

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

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

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.
A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition, if:

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

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

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

**Other financial liabilities**

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

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Offsetting financial instruments**

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

**R. Derivatives and Hedge Accounting**

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

The Group designates certain derivatives as either:

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

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

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

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

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

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

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

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

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

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

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

**Hedges of net investments in foreign operations**
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated statement of profit and loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the Foreign Currency Translation Reserve are reclassified to the Consolidated statement of profit and loss on the disposal of the foreign operation.

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

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

**T. Borrowing cost**
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group considers a period of twelve months or more as a substantial period of time. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
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Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

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

U. Accounting for Government Grants

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

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

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

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

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

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

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

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

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

V. Employee Benefits

Retirement benefit, medical costs and termination benefits

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

For defined benefit retirement and medical plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds having terms approximating to the terms of related obligation. In countries where there is a deep market in high-quality corporate bonds, the market rate on those bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation are used.
Re-measurement, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the Consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected in retained earnings and will not be reclassified to the Consolidated statement of profit and loss. Past service cost is recognised in the Consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

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

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

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

**Short-term and other long-term employee benefits**

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

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

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

**W. Employee Share-based Payments**

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

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

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

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

**X. Income Taxes**

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

**Current tax**

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the consolidated statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit becomes eligible to be recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

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

The Group applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of tax expense of respective group entities and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities in respective group entities, whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored.
Y. Revenue Recognition

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

**Revenue Recognition**

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

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

In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Group recognizes revenue for such services when the performance obligation is completed.

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

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

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

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

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

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

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

Z. Dividend and Interest Income

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

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

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

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

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

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

AB. Exceptional Items
Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group.

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

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

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

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

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

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

(a) Joint Operation
We invest in certain consortiums which are accounted for as joint operation. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant
activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Group as a joint operator recognizes assets, liabilities, income and expenses in relation to its interest in a joint operation. (refer Note 53 C)

(b) Impairment of Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill is not amortized; instead, it is tested for impairment at least annually. The recoverable amount is determined based on value in use or fair value less cost to sell calculations which require the use of assumptions as directly observable market prices are generally not exist for the Group’s assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential. (refer Note 8)

(c) Impairment of Non-Current Assets

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

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

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

(d) Employee retirement plans

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

The Group provides defined benefit plans to its employees. The discount rate is based on Government bond yield. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase in India. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost. (refer Note 47)

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

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs. (refer Note 26)

(f) Taxes

The Group calculates income tax expense based on reported income. Deferred income tax expense
is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management’s assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability. (refer Notes 13 and 14). For judgements related to adoption of lower tax rate as per Section 115BBA of the Income tax Act, refer Note 14 D.

(g) Extension and termination option in a Lease
Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group. (refer Note 54)

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

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

(j) Fair Value Measurements
The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group’s assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date. (refer Note 50)

(k) Contingent Assets and Liabilities, Provisions and Uncertain Tax Positions
There are various legal, direct and indirect tax matters and other obligations including environmental, mining, local and state levies, income tax holiday, availing input tax credits, etc., which may impact the Group. Evaluation of uncertain liabilities and contingent liabilities and assets arising out of above matters require management judgment and assumptions, regarding the probability of outflow or realization of economic resources and the timing and amount, or range of amounts, that may ultimately be determined. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts, or application of relevant judicial precedents. (refer Notes 13, 26 and 47)

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

The Group performs physical counts of above inventory on a periodic basis using internal/external experts to perform volumetric surveys and assessments, basis which the estimate of quantity for these inventories is determined. The variations noted between book records and physical quantities of above inventories are evaluated and appropriately accounted in the books of account. (refer Note 16)

5. Recent Accounting Pronouncements
There are no other new updates or standards issued through the date of issuance of these financial statements that have not yet been adopted by the Group.
6. Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment - Cost</td>
<td>108,938</td>
<td>103,240</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation and Impairment</td>
<td>(44,629)</td>
<td>(39,055)</td>
</tr>
<tr>
<td>Net carrying amount of Property, Plant and Equipment</td>
<td>64,309</td>
<td>64,185</td>
</tr>
</tbody>
</table>

| Right of Use (ROU) Assets - Cost (refer Note 54) | 2,109            | -                |
| Less: Accumulated Depreciation and Impairment   | (351)            | -                |
| Net carrying amount of Right of Use Assets      | 1,758            | -                |
| Net carrying amount of Property, Plant and Equipment (including ROU Assets) | 66,067          | 64,185          |
| Capital Work-in-Progress - (f) & (g)            | 7,610            | 3,975            |

| Total                                           | 73,677           | 68,160           |

### Property, Plant and Equipment

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at April 01, 2018</th>
<th>Additions</th>
<th>Disposal/Adjustments</th>
<th>Exchange differences</th>
<th>As at March 31, 2018</th>
<th>As at April 01, 2018</th>
<th>Depreciation</th>
<th>Impairment/(Reversal)</th>
<th>Disposal/Adjustments</th>
<th>Exchange differences</th>
<th>As at March 31, 2018</th>
<th>NET CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>2,467</td>
<td>158</td>
<td>(30)</td>
<td>10</td>
<td>2,605</td>
<td>392</td>
<td>3</td>
<td>-</td>
<td>(1)</td>
<td>4</td>
<td>191</td>
<td>2,444</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>314</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>323</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>218</td>
</tr>
<tr>
<td>Buildings</td>
<td>18,315</td>
<td>627</td>
<td>(82)</td>
<td>271</td>
<td>19,131</td>
<td>5,157</td>
<td>794</td>
<td>-</td>
<td>(6)</td>
<td>99</td>
<td>5,964</td>
<td>13,167</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>75,513</td>
<td>3,135</td>
<td>(1,163)</td>
<td>785</td>
<td>78,270</td>
<td>28,421</td>
<td>3,195</td>
<td>(11)</td>
<td>(1,098)</td>
<td>381</td>
<td>30,978</td>
<td>47,292</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>627</td>
<td>45</td>
<td>(28)</td>
<td>7</td>
<td>651</td>
<td>335</td>
<td>49</td>
<td>-</td>
<td>(23)</td>
<td>5</td>
<td>366</td>
<td>285</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>489</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>489</td>
<td>138</td>
<td>28</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>166</td>
<td>323</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>1,097</td>
<td>87</td>
<td>(29)</td>
<td>(8)</td>
<td>1,147</td>
<td>752</td>
<td>79</td>
<td>-</td>
<td>(28)</td>
<td>(6)</td>
<td>797</td>
<td>350</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>600</td>
<td>38</td>
<td>(31)</td>
<td>17</td>
<td>624</td>
<td>483</td>
<td>50</td>
<td>-</td>
<td>(28)</td>
<td>13</td>
<td>518</td>
<td>106</td>
</tr>
<tr>
<td>Total</td>
<td>99,422</td>
<td>4,090</td>
<td>(1,363)</td>
<td>1,091</td>
<td>103,240</td>
<td>35,536</td>
<td>4,201</td>
<td>(11)</td>
<td>(1,174)</td>
<td>503</td>
<td>39,055</td>
<td>64,185</td>
</tr>
<tr>
<td><strong>Net Carrying Amount</strong></td>
<td><strong>73,677</strong></td>
<td><strong>68,160</strong></td>
<td><strong>99,422</strong></td>
<td><strong>4,090</strong></td>
<td><strong>(1,363)</strong></td>
<td><strong>1,091</strong></td>
<td><strong>35,536</strong></td>
<td><strong>4,201</strong></td>
<td><strong>(11)</strong></td>
<td><strong>503</strong></td>
<td><strong>39,055</strong></td>
<td><strong>64,185</strong></td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ORIGINAL COST</th>
<th>ACCUMULATED DEPRECIATION AND IMPAIRMENT</th>
<th>NET CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revised As at</td>
<td>As at March 31, 2020</td>
<td>Revised As at</td>
</tr>
<tr>
<td></td>
<td>April 01, 2019*</td>
<td></td>
<td>April 01, 2019*</td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>Disposal/Adjustments</td>
<td>Exchange differences</td>
</tr>
<tr>
<td>Freehold Land</td>
<td>2,605</td>
<td>31</td>
<td>(3)</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>320</td>
<td>9</td>
<td>79</td>
</tr>
<tr>
<td>Buildings</td>
<td>19,127</td>
<td>432</td>
<td>(49)</td>
</tr>
<tr>
<td>Plant and Machinery #</td>
<td>78,040</td>
<td>2,167</td>
<td>(885)</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>649</td>
<td>72</td>
<td>(21)</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>123</td>
<td>23</td>
<td>190</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>489</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>1,108</td>
<td>70</td>
<td>(16)</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>622</td>
<td>80</td>
<td>(13)</td>
</tr>
<tr>
<td>Total</td>
<td>103,083</td>
<td>2,885</td>
<td>(518)</td>
</tr>
</tbody>
</table>

# Refer Note 9 (i)

Right-of-use Assets

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ORIGINAL COST</th>
<th>ACCUMULATED DEPRECIATION AND IMPAIRMENT</th>
<th>NET CARRYING AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at April 01, 2019</td>
<td>As at March 31, 2020</td>
<td>As at April 01, 2019</td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>Disposal/Adjustments</td>
<td>Exchange differences</td>
</tr>
<tr>
<td>Leasehold Land</td>
<td>847</td>
<td>170</td>
<td>-</td>
</tr>
<tr>
<td>Buildings</td>
<td>363</td>
<td>142</td>
<td>(102)</td>
</tr>
<tr>
<td>Stadium Suit</td>
<td>19</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>136</td>
<td>8</td>
<td>(18)</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>155</td>
<td>58</td>
<td>(25)</td>
</tr>
<tr>
<td>Boats</td>
<td>2</td>
<td>59</td>
<td>(2)</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>159</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>22</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Waterfront</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>39</td>
<td>3</td>
<td>(3)</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>8</td>
<td>2</td>
<td>(2)</td>
</tr>
<tr>
<td>Total</td>
<td>1,750</td>
<td>447</td>
<td>(153)</td>
</tr>
</tbody>
</table>

** Upon introduction of Ind AS 116 Leases effective April 1, 2019, all Finance Lease assets identified under the earlier Ind AS 17 Leases, have been reclassified to ROU Assets. (refer Note 54)

These Right of Use Assets are combined with all other tangible assets and presented through line item ‘Property, Plant and Equipment’ under Non-Current Assets on the face of the Consolidated Balance Sheet.
(a) Group’s share in jointly owned assets has been grouped together with the relevant class of property, plant and equipment. The cost and net carrying amounts included in relevant class of assets are given below:

<table>
<thead>
<tr>
<th></th>
<th>31.03.2020</th>
<th></th>
<th>31.03.2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Cost</td>
<td>Net Carrying Amount</td>
<td>Original Cost</td>
<td>Net Carrying Amount</td>
</tr>
<tr>
<td>Freehold Land</td>
<td>52</td>
<td>52</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Buildings</td>
<td>41</td>
<td>29</td>
<td>41</td>
<td>30</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>41</td>
<td>2</td>
<td>41</td>
<td>2</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Equipment</td>
<td>6</td>
<td>1</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

(b) For assets pledged and Hypothecated against borrowings, refer Note 23A.

(c) For impairment charges or reversal, refer Note 38.

(d) For capital expenditures contracted but not incurred, refer to Note 48 (B).

(e) For previous year, in respect of future minimum lease payments and their present value of Property, Plant and Equipment taken under finance lease as per Ind AS 17 Leases, refer to Note - 23A (g).

(f) Capital Work-in-Progress (CWIP) comprise of various routine, non-routine projects and expansion spread over across the Group.

(g) The Group has tested the carrying value of CWIP for impairment as at reporting date and recorded an impairment charge of ₹ 14 Crore (31/03/2019 ₹ Nil). During the previous year, ₹ 9 Crore had been classified to held for sale from the CWIP.

(h) **Items of Property, Plant and Equipment**

<table>
<thead>
<tr>
<th>Items of Property, Plant and Equipment</th>
<th>Useful life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>Infinite #</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>7 - 90</td>
</tr>
<tr>
<td>Buildings</td>
<td>3 - 60</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>2 - 40</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>2 - 25</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>15</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>15</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>3 - 10</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>2 - 25</td>
</tr>
</tbody>
</table>

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

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

(j) Assets for which registration is pending:


(k) The Company has sold its Aluminium Foil manufacturing unit at Kollur, Telangana on slump sale basis through a Business Transfer Agreement dated April 26, 2019, Profit on sale amounting to ₹ 25 Crore is booked under Exceptional Income. (refer Note 40)

(l) Consequent upon settlement of claim with one of the major suppliers related to our Smelters at Aditya and Mahan, the Company has recovered ₹ 87 Crore as liquidated damages during the year. The entire amount has been credited to cost of respective items of Property, Plant and Equipment.
7. Investment Property

<table>
<thead>
<tr>
<th>Particulars</th>
<th>ORIGINAL COST As at April 01, 2018</th>
<th>Additions</th>
<th>Disposal/ Adjustments</th>
<th>Exchange differences</th>
<th>As at March 31, 2019</th>
<th>ACCUMULATED DEPRECIATION AND IMPAIRMENT As at April 01, 2019</th>
<th>Depreciation</th>
<th>Impairment/(Reversal)</th>
<th>Disposal/ Adjustments</th>
<th>Exchange differences</th>
<th>NET CARRYING AMOUNT As at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
</tr>
<tr>
<td>Freehold Land</td>
<td>34</td>
<td>-</td>
<td>-</td>
<td>34</td>
<td>34</td>
<td>10</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Buildings</td>
<td>33</td>
<td>-</td>
<td>-</td>
<td>33</td>
<td>10</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>-</td>
<td>-</td>
<td>34</td>
<td>10</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

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

<table>
<thead>
<tr>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ in Crore</td>
<td>₹ in Crore</td>
</tr>
<tr>
<td>Rental Income</td>
<td>7</td>
</tr>
<tr>
<td>Direct operating expenses (including repair and maintenance) on properties generating rental income</td>
<td>(1)</td>
</tr>
<tr>
<td>Direct operating expenses (including repair and maintenance) on properties not generating rental income</td>
<td>-</td>
</tr>
</tbody>
</table>

(b) All of the Investment Properties of the Group are held under freehold interest.

(c) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
The fair value of the Group’s investment properties as at March 31, 2020 and March 31, 2019 have been arrived on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuers in India. The fair value measurement for all the investments properties has been categorised as Level 2 fair value based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

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

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freehold Land #</td>
<td>4</td>
<td>42</td>
</tr>
<tr>
<td>Buildings</td>
<td>95</td>
<td>96</td>
</tr>
</tbody>
</table>

# During the year, the Company has sold assets of one of its manufacturing unit situated at Kollur, Telengana. (refer Note 6 (k))

<table>
<thead>
<tr>
<th>Items of Investment Property</th>
<th>Useful life (Years)</th>
<th>As at</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>Infinite</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>60 Years</td>
<td></td>
</tr>
</tbody>
</table>

## 8. Goodwill

### ₹ in Crore

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>20,098</td>
<td>18,575</td>
</tr>
<tr>
<td>Less: Accumulated Impairment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Carrying amount</strong></td>
<td><strong>20,098</strong></td>
<td><strong>18,575</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated Impairment</th>
<th>Net carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at April 01, 2018</td>
<td>17,829</td>
<td>-</td>
<td>17,829</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>746</td>
<td>-</td>
<td>746</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2019</strong></td>
<td><strong>18,575</strong></td>
<td>-</td>
<td><strong>18,575</strong></td>
</tr>
<tr>
<td>Exchange differences</td>
<td>1,523</td>
<td>-</td>
<td>1,523</td>
</tr>
<tr>
<td><strong>Balance as at March 31, 2020</strong></td>
<td><strong>20,098</strong></td>
<td>-</td>
<td><strong>20,098</strong></td>
</tr>
</tbody>
</table>

### (a) Impairment testing of Goodwill

Goodwill acquired in business combinations has been allocated to following cash generating units (CGU) of Aluminium and Novelis segment. However, there were no goodwill acquired with regard to Copper segment.

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Novelis segment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Novelis - North America</td>
<td>8,048</td>
<td>7,390</td>
</tr>
<tr>
<td>Novelis - Europe</td>
<td>7,755</td>
<td>7,277</td>
</tr>
<tr>
<td>Novelis - South America</td>
<td>2,757</td>
<td>2,532</td>
</tr>
<tr>
<td>Novelis - Asia</td>
<td>1,428</td>
<td>1,266</td>
</tr>
<tr>
<td><strong>Aluminium segment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utkal Alumina International Limited (Utkal)</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td><strong>All other segments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minerals and Minerals Limited (M&amp;M)</td>
<td>20,098</td>
<td>18,575</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.*
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

<table>
<thead>
<tr>
<th></th>
<th>Aluminium segment</th>
<th>Novelis segment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03.2020</td>
<td>31.03.2019</td>
</tr>
<tr>
<td>Discount rate (i)</td>
<td>13.20%</td>
<td>11.22%</td>
</tr>
<tr>
<td>Terminal growth rate (ii)</td>
<td>5.00%</td>
<td>3.73%</td>
</tr>
<tr>
<td>EV/EBITDA multiple in times (in Novelis segment)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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

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

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

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

Minerals and Minerals Limited (M&M) is part of ‘All other segments’ is immaterial, hence no impairment testing for the same is performed by the Group.

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

As a result of goodwill impairment test for the year ended March 31, 2020 and year ended March 31, 2019, no goodwill impairment was identified as the recoverable value of the CGUs to whom goodwill was allocated exceeded their respective carrying amounts at all the periods reported above.

(b) Impact of possible changes in key assumptions

Goodwill in the Consolidated Financial Statements primarily consists of goodwill in Novelis segment, wherein goodwill has been allocated in four CGUs. The recoverable amount of each of these four CGU would equal its carrying amount if the key assumptions were to change as follows:
### Long-term growth rate (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>From</th>
<th>To</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelis - North America</td>
<td>2.25%</td>
<td>**</td>
<td>2.25%</td>
<td>**</td>
</tr>
<tr>
<td>Novelis - Europe</td>
<td>2.25%</td>
<td>0.36%</td>
<td>2.25%</td>
<td>0.98%</td>
</tr>
<tr>
<td>Novelis - South America</td>
<td>2.25%</td>
<td>**</td>
<td>2.25%</td>
<td>**</td>
</tr>
<tr>
<td>Novelis - Asia</td>
<td>2.25%</td>
<td>**</td>
<td>2.25%</td>
<td>**</td>
</tr>
</tbody>
</table>

### Post-tax discount rate (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>From</th>
<th>To</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelis - North America</td>
<td>7.96%</td>
<td>**</td>
<td>9.00%</td>
<td>**</td>
</tr>
<tr>
<td>Novelis - Europe</td>
<td>7.96%</td>
<td>9.36%</td>
<td>9.00%</td>
<td>9.93%</td>
</tr>
<tr>
<td>Novelis - South America</td>
<td>7.96%</td>
<td>**</td>
<td>9.00%</td>
<td>**</td>
</tr>
<tr>
<td>Novelis - Asia</td>
<td>7.96%</td>
<td>**</td>
<td>9.00%</td>
<td>**</td>
</tr>
</tbody>
</table>

### EV/EBITDA multiple (in times)

<table>
<thead>
<tr>
<th>Region</th>
<th>From</th>
<th>To</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelis - North America</td>
<td>6 - 8</td>
<td>**</td>
<td>6.5 - 8</td>
<td>**</td>
</tr>
<tr>
<td>Novelis - Europe</td>
<td>8 - 10</td>
<td>7.03</td>
<td>8 - 9.5</td>
<td>6.97</td>
</tr>
<tr>
<td>Novelis - South America</td>
<td>8 - 10</td>
<td>**</td>
<td>6.5 - 8</td>
<td>**</td>
</tr>
<tr>
<td>Novelis - Asia</td>
<td>6 - 8</td>
<td>**</td>
<td>6.5 - 8</td>
<td>**</td>
</tr>
</tbody>
</table>

**Management believes that no reasonably possible change in any of the above key assumptions (including assumptions related to Goodwill of Utkal) would cause the recoverable amount to fall below the carrying value of any of the CGU having allocated goodwill.**
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. Other Intangible Assets and Intangible Assets under Development

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>9,155</td>
<td>8,293</td>
</tr>
<tr>
<td>Less: Accumulated Amortisation and Impairment</td>
<td>(6,147)</td>
<td>(5,216)</td>
</tr>
<tr>
<td>Net Carrying amount</td>
<td>3,008</td>
<td>3,077</td>
</tr>
<tr>
<td>Intangible Assets under Development - (d), (e)</td>
<td>111</td>
<td>122</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at April 01, 2019</th>
<th>As at March 31, 2019</th>
<th>As at April 01, 2018</th>
<th>As at March 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Rights</td>
<td>580</td>
<td>671</td>
<td>612</td>
<td>715</td>
</tr>
<tr>
<td>Trade Name</td>
<td>954</td>
<td>612</td>
<td>981</td>
<td>1,012</td>
</tr>
<tr>
<td>Technology and Software</td>
<td>3,002</td>
<td>3,216</td>
<td>2,826</td>
<td>3,216</td>
</tr>
<tr>
<td>Customer related Intangible Assets</td>
<td>2,967</td>
<td>3,088</td>
<td>1,539</td>
<td>3,088</td>
</tr>
<tr>
<td>Right to Use Assets</td>
<td>81</td>
<td>121</td>
<td>81</td>
<td>121</td>
</tr>
<tr>
<td>Carbon Emission Rights</td>
<td>225</td>
<td>270</td>
<td>15</td>
<td>225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,809</strong></td>
<td><strong>8,293</strong></td>
<td><strong>7,627</strong></td>
<td><strong>8,293</strong></td>
</tr>
</tbody>
</table>

(a) Trade name and customer related intangible assets were established in purchase accounting during acquisition of Novelis Inc. by the Company, whereas Technology and software mainly related to products we license and internally developed software.
(b) For impairment charges or reversal on above Intangible assets and intangible assets under development, refer Note 38.

(c) Addition in Mining Rights includes ₹ 47 Crore and amortization expense includes ₹ 38 Crore (31/03/2019, addition included ₹ 91 Crore, and amortization expense included ₹ 88 Crore) towards stripping activity assets.

(d) The Carrying Amount of Intangible Asset under Development includes ₹ 70 Crore (31/03/2019 ₹ 34 Crore) pertaining to Enterprise Resource Planning System implementation.

(e) The Group has tested the carrying value of Intangible Asset under Development for impairment as at reporting date and recorded an impairment charge of ₹ 14 Crore (31/03/2019 ₹ Nil) on the same.

(f) Items of Intangible Assets

<table>
<thead>
<tr>
<th>Items of Intangible Assets</th>
<th>Useful life (Years)</th>
<th>Remaining useful life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Name</td>
<td>3 - 20</td>
<td>7.05</td>
</tr>
<tr>
<td>Technology and Software</td>
<td>3 - 10.6</td>
<td>1.91</td>
</tr>
<tr>
<td>Customer related Intangible Assets</td>
<td>20</td>
<td>7.05</td>
</tr>
<tr>
<td>Mining Rights</td>
<td>11 - 50</td>
<td>8 - 44</td>
</tr>
</tbody>
</table>

(g) For assets pledged and Hypothecated against borrowings, refer Note 23A.

(h) The Intangible assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(i) During the year, the Group has reclassified its Right to use assets to Plant and Machinery (under Property, Plant and Equipment).

10A. Investments, Non-Current

(Fully paid-up, unless otherwise stated)

<table>
<thead>
<tr>
<th>Equity Instruments at FVTOCI - (a)</th>
<th>Face value per Unit</th>
<th>Numbers - As at 31.03.2020</th>
<th>Value - As at 31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31.03.2019</td>
<td>31.03.2019</td>
</tr>
<tr>
<td>Quoted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Aluminium Company Limited</td>
<td>₹ 5</td>
<td>47,618,555</td>
<td>47,618,555</td>
</tr>
<tr>
<td>Grasim Industries Limited</td>
<td>₹ 2</td>
<td>28,464,653</td>
<td>28,464,653</td>
</tr>
<tr>
<td>UltraTech Cement Limited</td>
<td>₹ 10</td>
<td>1,258,515</td>
<td>1,258,515</td>
</tr>
<tr>
<td>Vodafone Idea Limited (b)</td>
<td>₹ 10</td>
<td>751,119,164</td>
<td>228,340,226</td>
</tr>
<tr>
<td>Aditya Birla Fashion and Retail Limited</td>
<td>₹ 10</td>
<td>44,982,142</td>
<td>44,982,142</td>
</tr>
<tr>
<td>Gujarat Narmada Valley Fertilizers &amp; Chemicals Limited</td>
<td>₹ 10</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Gujarat State Fertilizers &amp; Chemicals Limited</td>
<td>₹ 2</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Southern Petrochemical Industries Limited</td>
<td>₹ 10</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Madras Fertilizer Limited</td>
<td>₹ 10</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Rashtriya Chemicals and Fertilizers Limited</td>
<td>₹ 10</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Aditya Birla Capital Limited</td>
<td>₹ 10</td>
<td>39,850,514</td>
<td>39,850,514</td>
</tr>
</tbody>
</table>

| Unquoted                          |                     |             |             |             |             |
| Sai Wardha Power Generation Limited | ₹ 10               | 2,830,352   | 2,830,352   | 3           | 3           |
| Birla International Limited       | CHF 100             | 2,500       | 2,500       | 5           | 6           |
| Bharuch-Dahej Railway Company Limited | ₹ 10             | 13,530,000  | 13,530,000  | 19          | 26          |
| Birla Management Centre Services Limited | ₹ 10            | 9,500       | 9,500       | 8           | 10          |

2,991                             5,004

35                             45
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Debt Instruments at FVTOCI - (a)</th>
<th>Numbers - As at 31.03.2020</th>
<th>Value - As at 31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quoted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.83% Government of India Bond, 2039</td>
<td>2,000,000</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Instruments at FVTPL - (a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unquoted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preference Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aditya Birla Health Services Limited - 7% Redeemable Non Cumulative - (c)</td>
<td>₹ 100</td>
<td>2,500,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Birla Management Centre Services Limited - 9% Redeemable Cumulative</td>
<td>₹ 10</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unquoted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in Debt Schemes of Mutual Funds</td>
<td>20</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>132</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,091</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5,136</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

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

- Aggregate Cost of Quoted Investments: ₹1,213
- Aggregate Market value of Quoted Investments: ₹3,011
- Aggregate Cost of Unquoted Investments: ₹66

(b) During the current year, the Company has subscribed to the Rights issue of Vodafone Idea Limited to the tune of ₹653 Crore (522,778,938 shares at ₹12.50 per share).

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

10B. Investments, Current

<table>
<thead>
<tr>
<th>Quoted</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Government Securities at FVTOCI</td>
<td>73</td>
<td>70</td>
</tr>
<tr>
<td>Investment in Debentures and Bonds at FVTPL</td>
<td>210</td>
<td>225</td>
</tr>
<tr>
<td>Investment in Debt Schemes of Mutual Funds at FVTPL - (a)</td>
<td>5,996</td>
<td>3,560</td>
</tr>
<tr>
<td></td>
<td>6,279</td>
<td>3,855</td>
</tr>
</tbody>
</table>

(a) Includes ₹161 Crore (31/03/2019: ₹76 Crore) being deposit as margin money with counterparties for derivative transactions.

(b) Details of each of the category of investment mentioned above are available in separate financial statements of respective group entities.
(c) Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted investments are given below:

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate cost of Quoted Investments</td>
<td>5,882</td>
<td>3,773</td>
</tr>
<tr>
<td>Aggregate Market value of Quoted Investments</td>
<td>6,279</td>
<td>3,855</td>
</tr>
<tr>
<td>Aggregate Cost of Unquoted Investments</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

11. Loans
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to Related Parties - (refer Note 45)</td>
<td>- , 46</td>
<td>- , 51</td>
</tr>
<tr>
<td>Loan to Employees</td>
<td>10 , 9</td>
<td>13 , 7</td>
</tr>
<tr>
<td>Loan to Others</td>
<td>2 , 2</td>
<td>- , 2</td>
</tr>
<tr>
<td></td>
<td>12 , 55</td>
<td>15 , 58</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

12A. Other Financial Assets, Non-Current
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Assets - (refer Note 51)</td>
<td>49 , 107</td>
<td></td>
</tr>
<tr>
<td>Security Deposits - (a), (b)</td>
<td>140 , 143</td>
<td></td>
</tr>
<tr>
<td>Deposit with Others - (a), (c)</td>
<td>127 , 97</td>
<td></td>
</tr>
<tr>
<td>Other Receivables - (d)</td>
<td>25 , -</td>
<td></td>
</tr>
<tr>
<td></td>
<td>341 , -</td>
<td>347 , -</td>
</tr>
</tbody>
</table>

(a) Refer Note 45 for balances with related parties.
(b) During the current year Security Deposit of ₹ 13 Crore (31/03/2019 ₹ 4 Crore) is pledged.
(c) During the current year earmarked balances with Banks is ₹ 102 Crore (31/03/2019 ₹ 84 Crore).
(d) Mainly represents finance lease receivable.

12B. Other Financial Assets, Current
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Assets - (refer Note 51)</td>
<td>2,382 , 1,307</td>
<td></td>
</tr>
<tr>
<td>Derivative matured pending realisation</td>
<td>501 , 204</td>
<td></td>
</tr>
<tr>
<td>Security Deposits - (a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered Good</td>
<td>37 , 22</td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered Doubtful</td>
<td>- , -</td>
<td></td>
</tr>
<tr>
<td>Less : Allowance for Doubtful amount</td>
<td>- , -</td>
<td></td>
</tr>
<tr>
<td>Deposits with Non-Banking Financial Company (NBFC) with initial maturity more than 3 months</td>
<td>- , 215</td>
<td></td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>34 , 44</td>
<td></td>
</tr>
<tr>
<td>Other Receivables - (a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered Good</td>
<td>238 , 201</td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered Doubtful</td>
<td>63 , 65</td>
<td></td>
</tr>
<tr>
<td>Less : Allowance for Doubtful amount</td>
<td>(63) , (65)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,192 , 1,993</td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Refer Note 45 for balances with related parties.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. Income Tax Assets and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Income Tax Assets (Net)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Tax Assets (Net)</td>
<td>329</td>
<td>283</td>
<td></td>
</tr>
<tr>
<td>Current Tax Assets (Net)</td>
<td>255</td>
<td>1,553</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>584</strong></td>
<td><strong>1,836</strong></td>
<td></td>
</tr>
<tr>
<td>B. Income Tax Liabilities (Net)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax Liabilities</td>
<td>1,576</td>
<td>1,425</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,576</strong></td>
<td><strong>1,425</strong></td>
<td></td>
</tr>
</tbody>
</table>

The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis Management’s assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities. Also refer Note 4.

14. Deferred Tax Balances

A. Deferred Tax Assets (Net)

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Assets</td>
<td>1,736</td>
<td>2,966</td>
<td></td>
</tr>
<tr>
<td>Deferred Tax Liabilities</td>
<td>(826)</td>
<td>(2,090)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>910</strong></td>
<td><strong>876</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Deferred Tax Assets</th>
<th>Recognised in Statement of Profit and Loss</th>
<th>Recognised in OCI</th>
<th>Recognised directly in Equity</th>
<th>Exchange Differences</th>
<th>As at 01.04.2018</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions deductible for tax purposes in future period</td>
<td>1,137</td>
<td>(89)</td>
<td>46</td>
<td>-</td>
<td>14</td>
<td>1,108</td>
</tr>
<tr>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>80</td>
<td>(29)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51</td>
</tr>
<tr>
<td>Tax (losses)/benefits carry forwards, net #</td>
<td>383</td>
<td>778</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>1,170</td>
</tr>
<tr>
<td>Inventory valuation reserves</td>
<td>59</td>
<td>(26)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>-</td>
<td>-</td>
<td>58</td>
<td>-</td>
<td>(1)</td>
<td>57</td>
</tr>
<tr>
<td>Retirement Benefits and Compensated Absences</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>MAT Credit entitlement</td>
<td>-</td>
<td>402</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>402</td>
</tr>
<tr>
<td>Fair value measurements of financial instruments</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Trade name</td>
<td>91</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>104</td>
</tr>
<tr>
<td>Others</td>
<td>70</td>
<td>(40)</td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,823</strong></td>
<td><strong>1,006</strong></td>
<td><strong>106</strong></td>
<td>-</td>
<td><strong>31</strong></td>
<td><strong>2,966</strong></td>
</tr>
</tbody>
</table>
### Deferred Tax Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 01.04.2018</th>
<th>Recognised in Statement of Profit and Loss</th>
<th>Recognised in OCI</th>
<th>Recognised directly in Equity</th>
<th>Exchange Differences</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>413</td>
<td>1,259</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>1,683</td>
</tr>
<tr>
<td>Inventory valuation reserves</td>
<td>233</td>
<td>(45)</td>
<td>-</td>
<td>-</td>
<td>(32)</td>
<td>156</td>
</tr>
<tr>
<td>Fair value measurements of financial instruments</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>61</td>
<td>-</td>
<td>(65)</td>
<td>-</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>250</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>(11)</td>
<td>246</td>
</tr>
<tr>
<td><strong>Net Deferred Tax Liabilities</strong></td>
<td><strong>957</strong></td>
<td><strong>1,226</strong></td>
<td><strong>(65)</strong></td>
<td>-</td>
<td><strong>(28)</strong></td>
<td><strong>2,090</strong></td>
</tr>
</tbody>
</table>

### Deferred Tax Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 01.04.2019</th>
<th>Recognised in Statement of Profit and Loss</th>
<th>Recognised in OCI</th>
<th>Recognised directly in Equity</th>
<th>Exchange Differences</th>
<th>As at 31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions deductible for tax purposes in future period</td>
<td>1,108</td>
<td>(315)</td>
<td>137</td>
<td>-</td>
<td>128</td>
<td>1,058</td>
</tr>
<tr>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>51</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>77</td>
</tr>
<tr>
<td>Tax (losses)/benefits carry forwards, net #</td>
<td>1,170</td>
<td>(223)</td>
<td>-</td>
<td>-</td>
<td>34(746)</td>
<td>235</td>
</tr>
<tr>
<td>Inventory valuation reserves</td>
<td>33</td>
<td>(15)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>57</td>
<td>-</td>
<td>66</td>
<td>(6)</td>
<td>8</td>
<td>125</td>
</tr>
<tr>
<td>Retirement Benefits and Compensated Absences</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-(2)</td>
<td>-</td>
</tr>
<tr>
<td>MAT Credit entitlement</td>
<td>402</td>
<td>89</td>
<td>-</td>
<td>-</td>
<td>-(491)</td>
<td>-</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>-</td>
<td>54</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>60</td>
</tr>
<tr>
<td>Fair value measurements of financial instruments</td>
<td>6</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>16</td>
</tr>
<tr>
<td>Trade name</td>
<td>104</td>
<td>(4)</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>109</td>
</tr>
<tr>
<td>Others</td>
<td>34</td>
<td>52</td>
<td>-</td>
<td>-</td>
<td>2(50)</td>
<td>38</td>
</tr>
<tr>
<td><strong>Net Deferred Tax Liabilities</strong></td>
<td><strong>2,966</strong></td>
<td><strong>(345)</strong></td>
<td><strong>213</strong></td>
<td><strong>(6)</strong></td>
<td><strong>197(1,289)</strong></td>
<td><strong>1,736</strong></td>
</tr>
</tbody>
</table>

### Deferred Tax Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31.03.2019</th>
<th>Recognised in Statement of Profit and Loss</th>
<th>Recognised in OCI</th>
<th>Recognised directly in Equity</th>
<th>Exchange Differences</th>
<th>Reclass (DTL/DTA)</th>
<th>As at 31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>1,683</td>
<td>(44)</td>
<td>-</td>
<td>-</td>
<td>50</td>
<td>(1,294)</td>
<td>395</td>
</tr>
<tr>
<td>Inventory valuation reserves</td>
<td>156</td>
<td>(28)</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>-</td>
<td>52</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Fair value measurements of financial instruments</td>
<td>5</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-(22)</td>
<td></td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>246</td>
<td>(13)</td>
<td>-</td>
<td>-</td>
<td>28</td>
<td>(39)</td>
<td>222</td>
</tr>
<tr>
<td><strong>Net Deferred Tax Assets</strong></td>
<td><strong>2,090</strong></td>
<td><strong>(16)</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>107(1,355)</strong></td>
<td><strong>826</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Notes
- Tax Losses/Benefits carry forwards represents deferred income tax asset on unabsorbed depreciation carried forward under tax laws for which there is no expiry period.
- Amount below rounding off convention.
B. Deferred Tax Liabilities (Net)

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Liabilities</td>
<td>11,858</td>
<td>9,920</td>
</tr>
<tr>
<td>Deferred Tax Assets</td>
<td>(7,187)</td>
<td>(5,394)</td>
</tr>
<tr>
<td><strong>Net Deferred Tax Liabilities</strong></td>
<td>4,671</td>
<td>4,526</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>As at 31.03.2019</th>
<th>Reclass (DTL/DTA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Liabilities</td>
<td>As at 01.04.2018</td>
<td>Recognised in Statement of Profit and Loss</td>
</tr>
<tr>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>7,907</td>
<td>27</td>
</tr>
<tr>
<td>Inventory Valuation Reserves</td>
<td>305</td>
<td>98</td>
</tr>
<tr>
<td>Exchange Differences on Foreign Operations</td>
<td>632</td>
<td>130</td>
</tr>
<tr>
<td>Fair value measurements of financial instruments</td>
<td>102</td>
<td>(73)</td>
</tr>
<tr>
<td>Deferred tax on Undistributed earnings</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>347</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>164</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total Deferred Tax Liabilities</strong></td>
<td>9,457</td>
<td>245</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>As at 31.03.2020</th>
<th>Recognised in Statement of Profit and Loss</th>
<th>Recognised in OCI</th>
<th>Recognised directly in Equity</th>
<th>Exchange Differences</th>
<th>Reclass (DTL/DTA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Assets</td>
<td>As at 01.04.2019</td>
<td>Tax (losses)/benefits carry forwards, net #</td>
<td>-</td>
<td>-</td>
<td>28</td>
<td>1,881</td>
</tr>
<tr>
<td>Retirement Benefits and Compensated Absences</td>
<td>68</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>71</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provisions deductible for tax purposes in future period</td>
<td>983</td>
<td>196</td>
<td>-</td>
<td>-</td>
<td>37</td>
<td>1,216</td>
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<tr>
<td>MAT Credit entitlement</td>
<td>1,628</td>
<td>375</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>2,002</td>
</tr>
<tr>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>3</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>230</td>
<td>(7)</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>222</td>
</tr>
<tr>
<td><strong>Total Deferred Tax Assets</strong></td>
<td>5,543</td>
<td>(213)</td>
<td>1</td>
<td>-</td>
<td>63</td>
<td>5,394</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>As at 31.03.2020</th>
<th>Recognised in Statement of Profit and Loss</th>
<th>Recognised in OCI</th>
<th>Recognised directly in Equity</th>
<th>Exchange Differences</th>
<th>Reclass (DTL/DTA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Tax Liabilities</td>
<td>As at 01.04.2019</td>
<td>PP&amp;E Depreciation and Intangible Amortisation</td>
<td>8,057</td>
<td>194</td>
<td>-</td>
<td>91</td>
</tr>
<tr>
<td>Inventory Valuation Reserves</td>
<td>421</td>
<td>(23)</td>
<td>-</td>
<td>-</td>
<td>36</td>
<td>-</td>
</tr>
<tr>
<td>Exchange Differences on Foreign Operations</td>
<td>800</td>
<td>266</td>
<td>-</td>
<td>-</td>
<td>88</td>
<td>-</td>
</tr>
<tr>
<td>Fair value measurements of financial instruments</td>
<td>29</td>
<td>87</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>-</td>
<td>38</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>
Deferred Tax Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 01.04.2019</th>
<th>Recognised in Statement of Profit and Loss</th>
<th>Recognised in OCI</th>
<th>Recognised directly in Equity</th>
<th>Exchange Differences</th>
<th>Reclass (DTL/DTA)</th>
<th>As at 31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax on Undistributed earnings</td>
<td>6</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>376</td>
<td>- (375)</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Others</td>
<td>231</td>
<td>4</td>
<td>-</td>
<td>12</td>
<td>39</td>
<td>286</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,920</td>
<td>583 (373)</td>
<td>99</td>
<td>274</td>
<td>1,355</td>
<td>11,858</td>
<td></td>
</tr>
</tbody>
</table>

Deferred Tax Liabilities

- Tax (losses)/benefits carry forwards, net #
  - 1,881 (121)
- Retirement Benefits and Compensated Absences
  - 71
- Provisions deductible for tax purposes in future period
  - 1,216
- MAT Credit entitlement
  - 2,002
- Lease liabilities
  - (55)
- PP&E Depreciation and Intangible Amortisation
  - 2
- Others
  - 222

Deferred Tax Liabilities As at 31.03.2020

- 5,394
- 287 (401)
- 4
- 189
- 66
- 4,671

Unrecognized Deferred Taxes

(a) As at March 31, 2020 the Group had cumulative earnings in respect of certain Group entities of approximately ₹ 23,904 Crore (31/03/2019: ₹ 19,472 Crore) for which the Group has not provided deferred tax liability as the Group believes that the reversal of such temporary difference is not probable in the foreseeable future.

(b) The following Deferred Tax Assets have not been recognised at the reporting date as it is not probable of recovery.

Net deferred tax liability includes ₹ 66 Crore pertaining to Utkal Alumina International Limited including MAT Credit entitlement of ₹ 491 Crore.

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

C. Unrecognised Deferred Taxes

(a) As at March 31, 2020 the Group had cumulative earnings in respect of certain Group entities of approximately ₹ 23,904 Crore (31/03/2019: ₹ 19,472 Crore) for which the Group has not provided deferred tax liability as the Group believes that the reversal of such temporary difference is not probable in the foreseeable future.

(b) The following Deferred Tax Assets have not been recognised at the reporting date as it is not probable of recovery.

Unexpiring

- i. Unabsorbed Depreciation and other expenses not deductible for tax
  - 640
- ii. Tax losses carry forwards
  - 50
- iii. Unused tax credits
  - 553

Expanding

- i. Carried forward Tax losses
  - 4,032
  - Period of expiry: FY 2027 - 2039
- ii. Unused tax credits
  - 422
  - Period of expiry: FY 2020 - 2033
- iii. Tax on long-term capital loss carry forward
  - 246
  - Period of expiry: FY 2020 - 2025
- iv. Unabsorbed Depreciation and other expenses not deductible for tax
  - 8
  - Period of expiry: FY 2029

The Group has not recognised deferred tax asset in respect of deductible temporary differences related to its equity investments measured at FVOCI as presently it is not probable that future taxable long-term capital gain will be available in the foreseeable future to recover such deferred tax assets.
Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority. The Group has not recognised deferred tax on temporary differences relating to depreciation which originate and reverse during the tax holiday period.

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

The Group has carried forward unabsorbed depreciation, accumulated MAT credit and tax incentives to be availed/adjusted against future taxable profits. Based on the projections prepared by the management, including its plan for future capital expenditure for capacity enhancement, the Group has determined that exercising the option of lower rate will be beneficial only from April 1, 2037. The Group has assessed that the net deferred tax liability as at March 31, 2020 would get reversed within the period for which the Group is expected to continue to be in the existing tax regime. Accordingly, the Group has not made any adjustments to reverse its deferred tax liability balances as at March 31, 2020.

15. Other Assets
(Unsecured, Considered Good, unless otherwise stated)

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current</td>
<td>Current</td>
</tr>
<tr>
<td>Capital Advance</td>
<td>436</td>
<td>-</td>
</tr>
<tr>
<td>Trade Advances and Deposits - (a)</td>
<td>150</td>
<td>861</td>
</tr>
<tr>
<td>Deposits with Government and Other Authorities</td>
<td>168</td>
<td>38</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>59</td>
<td>554</td>
</tr>
<tr>
<td>Prepaid Rent for Leasehold Land - (refer Note 54)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Others - (b) Unsecured, Considered Good</td>
<td>737</td>
<td>1,640</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>138</td>
</tr>
<tr>
<td></td>
<td>(10)</td>
<td>(138)</td>
</tr>
<tr>
<td>Less : Allowance for Doubtful amount</td>
<td>1,550</td>
<td>3,093</td>
</tr>
</tbody>
</table>

(a) Refer Note 45 for balances with related parties.
(b) Mainly includes unutilised tax credits and claims with Indirect Tax Authorities.

16. Inventories

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On Hand</td>
<td>In Transit</td>
</tr>
<tr>
<td>Raw Materials</td>
<td>2,813</td>
<td>2,402</td>
</tr>
<tr>
<td>Work-in-Progress</td>
<td>10,033</td>
<td>69</td>
</tr>
<tr>
<td>Finished Goods</td>
<td>4,383</td>
<td>117</td>
</tr>
<tr>
<td>Stock-in-Trade</td>
<td>127</td>
<td>-</td>
</tr>
<tr>
<td>Stores and Spares</td>
<td>1,869</td>
<td>35</td>
</tr>
<tr>
<td>Coal and Fuel</td>
<td>449</td>
<td>87</td>
</tr>
<tr>
<td>Packing Materials</td>
<td>*</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,674</td>
<td>2,710</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
For Inventories hypothecated against secured short-term borrowings, refer Note 23B.

Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and taken to profit and loss when the inventory is sold or consumed. Refer Note 51(B)(i)

The Group has extended fair value hedge accounting on its inventory which forms part of Work-in-Progress and Finished Goods during the year. Refer Notes 51(A) and 51(B)(i)

The Group write downs inventories (net of reversal) to net realizable value amounted to ₹ 267 Crore (31/03/2019: ₹ 156 Crore). These were recognized as expense and included in ‘Cost of Material Consumed’ and ‘Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade’ in the Consolidated Statement of Profit and Loss.

Inventories include bulk material of coal, bauxite and copper concentrate lying at yards, precious metals of gold and silver lying at smelter and refinery aggregating to ₹ 3,255 Crore pertains to Parent.

17. Trade Receivables

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current</td>
<td>Current</td>
</tr>
<tr>
<td>Secured, Considered</td>
<td></td>
<td>746</td>
</tr>
<tr>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, Considered</td>
<td>56</td>
<td>8,613</td>
</tr>
<tr>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured, Credit Impaired</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>9,454</td>
</tr>
<tr>
<td>Loss Allowances - (c)</td>
<td></td>
<td>(109)</td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>9,345</td>
</tr>
</tbody>
</table>

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

For trade receivables hypothecated against borrowings, refer Note 23B.

Loss allowances includes provision of ₹ 14 Crore (31/03/2019: ₹ 10 Crore) made on account of expected credit loss on Trade Receivables. Refer Note 51(A)(a).

Refer Note 45 for balances with related parties.

18. Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Cheques and Drafts on Hand - (a)</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Balance with Banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Accounts</td>
<td>16,927</td>
<td>5,170</td>
</tr>
<tr>
<td>Deposits with Initial Maturity of less than three months</td>
<td>3,266</td>
<td>1,764</td>
</tr>
<tr>
<td>Short-term Liquid Investments in Mutual Funds</td>
<td>1,104</td>
<td>2,178</td>
</tr>
<tr>
<td></td>
<td>21,303</td>
<td>9,119</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

Includes ₹ * Crore (31/03/2019: ₹ * Crore) remittance in transit.

There is no repatriation restriction with regard to cash and cash equivalents as the end of reporting period and prior periods.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19. Bank Balances other than Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances with Banks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earmarked balances - (a)</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Deposits with Initial Maturity more than three months</td>
<td>254</td>
<td>656</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>266</td>
<td>668</td>
</tr>
</tbody>
</table>

(a) Includes unclaimed dividend of ₹ 5 Crore (31/03/2019: ₹ 5 Crore).

20. Non-Current Assets of Disposal Group Classified as Held for Sale

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Assets of Disposal Group Classified as Held for Sale</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Assets classified as held for sale (a &amp; b) - (refer Note 53 E)</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Assets of Disposal Group classified as held for sale - (refer Note 53 C)</td>
<td>110</td>
<td>116</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>110</td>
<td>129</td>
</tr>
</tbody>
</table>

(a) During the Current year Hydromine Global Minerals GmbH Limited and MNH Shakti Limited have been reclassified to Investment in Joint Ventures. Accordingly, during the current year equity accounting has been applied on these investment in the Consolidated Financial Statements. (refer Note 53 E)

(b) During the Previous year subsidiaries Hindalco Guinea SARL and Mauda Energy Limited which were classified as Non-current assets held for sale have been dissolved.

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

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Plant and Equipment - (i)</td>
<td>83</td>
<td>75</td>
</tr>
<tr>
<td>Other Assets - (ii)</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>110</td>
<td>116</td>
</tr>
</tbody>
</table>

(i) As at March 31, 2020 assets held for sale includes ₹ 42 Crore related to one of the hydroelectric power generation facilities in South America, Brecha, land and building of Binh Duong plant in Vietnam, as well as foil related plant and machinery in Ludensheid, Germany.

(ii) Assets of Mahan Coal Limited and Tubed Coal Mines Limited, Joint Operations of the Company are included in 31/03/2019. During the current year, it has been presented in respective line items in the Consolidated Balance Sheet as it did not continue to meet the criteria for held for sale.

(iii) The Group is in the process of disposing the above assets.

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

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

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities associated with assets held for sale - (refer Note 53 E)</td>
<td>-</td>
<td>*</td>
</tr>
<tr>
<td>Liabilities associated with Disposal Group classified as held for Sale - (refer Note 53 C)</td>
<td>-</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>*</td>
</tr>
</tbody>
</table>

(a) Liabilities of Disposal Group classified as held for sale:

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities associated with disposal group held for sale</td>
<td>-</td>
<td>*</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
21. Equity Share Capital

<table>
<thead>
<tr>
<th>Authorized</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,500,000,000 (31/03/2019: 2,500,000,000) Equity Shares of ₹ 1/- each</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>25,000,000 (31/03/2019: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total Authorized</strong></td>
<td><strong>255</strong></td>
<td><strong>255</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Issued</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,246,776,333 (as at 31/03/2019: 2,246,083,891) Equity Shares of ₹ 1/- each - (a)</td>
<td>225</td>
<td>225</td>
</tr>
<tr>
<td><strong>Total Issued</strong></td>
<td><strong>225</strong></td>
<td><strong>225</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subscribed and Paid-up</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,246,768,936 (as at 31/03/2019: 2,246,076,494) Equity Shares of ₹ 1/- each fully paid-up</td>
<td>225</td>
<td>225</td>
</tr>
<tr>
<td>Less: Face value of 546,249 (31/03/2019: 546,249) Equity Shares forfeited</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Add: Forfeited Shares (Amount originally Paid-up)</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total Subscribed and Paid-up</strong></td>
<td><strong>225</strong></td>
<td><strong>225</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less: Treasury Shares</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,316,130 (31/03/2019: 16,316,130) Equity Shares held as Treasury Shares - (b)</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>5,885,672 (31/03/2019: 5,558,727) Equity Shares held as Treasury Shares by ESOP Trust - (refer Note 22 (A) (vii))</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Total Less: Treasury Shares</strong></td>
<td><strong>222</strong></td>
<td><strong>222</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Issued Equity Share Capital as at 31/03/2020 includes 7,397 Equity Shares (31/03/2019: 7,397) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

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

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

<table>
<thead>
<tr>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers</td>
<td>₹ in Crore</td>
</tr>
<tr>
<td>Equity Shares outstanding at the beginning of the period</td>
<td>2,223,655,388</td>
</tr>
<tr>
<td>Equity Shares allotted pursuant to exercise of Employee Stock Option Scheme</td>
<td>692,442</td>
</tr>
<tr>
<td>Equity Shares purchased from market pursuant to Employee Stock Option Scheme</td>
<td>(326,945)</td>
</tr>
<tr>
<td>Equity Shares outstanding at the end of the period</td>
<td>2,224,020,885</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

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

The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Numbers of Shares held</td>
<td>Percentage of Holding**</td>
</tr>
<tr>
<td>IGH Holdings Private Limited</td>
<td>349,963,487</td>
<td>15.58</td>
</tr>
<tr>
<td>Birla Group Holdings Private Limited #</td>
<td>228,292,308</td>
<td>10.16</td>
</tr>
<tr>
<td>Life Insurance Corporation of India and its Associates</td>
<td>223,822,083</td>
<td>9.96</td>
</tr>
<tr>
<td>ICICI Prudential Mutual Fund and its Associates</td>
<td>181,533,867</td>
<td>8.08</td>
</tr>
<tr>
<td>Morgan Guaranty Trust Company of New York</td>
<td>149,888,482</td>
<td>6.67</td>
</tr>
<tr>
<td>Turquoise Investment and Finance Private Limited #</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

** Percentage have been calculated on the basis of total number of shares outstanding before adjusting shares held by Trident Trust and ESOP Trust. Refer footnote (b) above and Note 22 (A) (viii).

# During the current year, Turquoise Investment and Finance Private Limited is merged with Birla Group Holdings Private Limited.

(f) Shares reserved for issue under options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes. (Refer Note 46 for details of Employee Stock Option Scheme).

(g) The Company during the preceding 5 years:

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

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

iii. Has not bought back any shares.

(h) The Board of Directors of the Company has recommended final dividend of ₹ 1.00 per share aggregating to ₹ 225 Crore for the year ended March 31, 2020, which has not been recognised in the Consolidated Financial Statement.

22. Other Equity

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Application Money pending Allotment</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Equity Component of Other Financial Instruments</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Reserves and Surplus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Reserve</td>
<td>147</td>
<td>147</td>
</tr>
<tr>
<td>Capital Redemption Reserve</td>
<td>104</td>
<td>104</td>
</tr>
<tr>
<td>Business Reconstruction Reserve</td>
<td>5,799</td>
<td>5,799</td>
</tr>
<tr>
<td>Securities Premium</td>
<td>8,218</td>
<td>8,206</td>
</tr>
<tr>
<td>Debenture Redemption Reserve</td>
<td>1,200</td>
<td>1,050</td>
</tr>
<tr>
<td>Employees Stock Options</td>
<td>44</td>
<td>21</td>
</tr>
<tr>
<td>Treasury Shares held by ESOP Trust</td>
<td>(130)</td>
<td>(123)</td>
</tr>
<tr>
<td>Special Reserve</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>General Reserve</td>
<td>21,370</td>
<td>21,370</td>
</tr>
<tr>
<td>Retained Earning</td>
<td>18,806</td>
<td>16,006</td>
</tr>
<tr>
<td><strong>55,577</strong></td>
<td><strong>52,599</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Reserves</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain/ (Loss) on Equity Instruments FVTOCI</td>
<td>325</td>
<td>2,991</td>
</tr>
<tr>
<td>Gain/ (Loss) on Debt Instruments FVTOCI</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Effective portion of Cash Flow Hedge</td>
<td>(130)</td>
<td>200</td>
</tr>
<tr>
<td>Cost of Hedging Reserve</td>
<td>119</td>
<td>502</td>
</tr>
<tr>
<td>Foreign Currency Translation Reserve</td>
<td>2,193</td>
<td>979</td>
</tr>
<tr>
<td><strong>2,514</strong></td>
<td><strong>4,676</strong></td>
<td></td>
</tr>
<tr>
<td><strong>58,095</strong></td>
<td><strong>57,279</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.
(A) Brief description of items of other equity are given below:

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

(ii) Capital Reserve:
The Group has created capital reserve pursuant to past mergers and acquisitions.

(iii) Capital Redemption Reserve:
The Group has created capital redemption reserve as per the requirement of the Companies Act.

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

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

(vi) Debenture Redemption Reserve:
The Group is required to create a debenture redemption reserve out of the profits which is available for payment of dividend, for the purpose of redemption of debentures.

(vii) Employees Stock Options:
The employee stock option account is used to recognize the grant date fair value of options issued to employees under stock option schemes.

(viii) Treasury Shares held by ESOP Trust:
The Company has created a trust. “Hindalco Employee Welfare Trust” (Trust) for providing share-based payments to its employees (including its Subsidiaries’ employees). The Company uses this Trust as a vehicle for distributing shares to employees covered under Scheme. The Trust buys shares of the Company from the market for giving shares to employees under the Employees Stock Option Scheme, 2018.

Shares held by the Trust are treated as Treasury shares. Equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on purchase, sale, issue or cancellation of Equity instruments. Share options whenever exercised, would be utilised from these treasury shares. Refer Note 46.

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

(x) General Reserve:
The Group has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend in the past.

(xi) Retained Earnings:
Amount of retained earnings represents accumulated profit and losses of the Group as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(xii) Other Reserve:

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

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

b) Effective portion of Cash Flow Hedge

The Group uses hedging instruments as part of its risk management policy for commodity and foreign currency risk as described in Note 51. The Cash Flow hedging reserve is used to recognize the effective portion of gain or loss on designated hedging relationship. (Refer Notes 51 (E) and 51 (F) (i)).

c) Cost of Hedging Reserve

The Group designates the spot component of cross currency interest rate swap as hedging instruments in cash flow hedge relationship. The Group defers changes in the forward element of cross currency interest rate swap in the cost of hedging reserve. The deferred cost of hedging are included in the initial cost of the related hedged items when it is recognized or reclassified to the consolidated statement of profit or loss when the hedged item effects the consolidated statement of profit and loss. The Group also designates time value of option contracts which are included in the cost of hedging reserve. (Refer Notes 51 (E) and 51 (F) (ii)).

d) Foreign Currency Translation Reserve

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

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

23A. Borrowings, Non-Current

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current Total</td>
<td>Non-Current Total</td>
</tr>
<tr>
<td></td>
<td>Portion Maturities</td>
<td>Portion Maturities</td>
</tr>
<tr>
<td><strong>Secured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debentures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secured Non-Convertible Debentures - (a)</td>
<td>5,994</td>
<td>-</td>
</tr>
<tr>
<td>Term Loans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From Banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Term Loans - (b)</td>
<td>11,613</td>
<td>6</td>
</tr>
<tr>
<td>Foreign Currency Term Loans - (c)</td>
<td>17,465</td>
<td>136</td>
</tr>
<tr>
<td>Finance Lease Obligations - (g)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35,072</td>
<td>142</td>
</tr>
<tr>
<td><strong>Unsecured</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Notes - (d)</td>
<td>22,997</td>
<td>-</td>
</tr>
<tr>
<td>Term Loans:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From Banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Currency Term Loans - (e)</td>
<td>270</td>
<td>2</td>
</tr>
<tr>
<td>Deferred Payment Liabilities - (f)</td>
<td>40</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,307</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58,379</td>
<td>161</td>
</tr>
</tbody>
</table>

* Current maturities of non-current borrowings have been disclosed under “Other Financial Liabilities, Current”. 
(a) Debentures comprise of following:

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>Gross Amount</th>
<th>Carrying Value</th>
<th>Redemption Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000 9.60% Redeemable Non-Convertible Debentures</td>
<td>1,500</td>
<td>1,498</td>
<td>02/08/2022</td>
</tr>
<tr>
<td>10 lakhs each</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,500</td>
<td>1,497</td>
<td>27/06/2022</td>
</tr>
<tr>
<td>15,000 9.55% Redeemable Non-Convertible Debentures</td>
<td>3,000</td>
<td>2,999</td>
<td>25/04/2022</td>
</tr>
<tr>
<td>10 lakhs each</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,000</td>
<td>2,998</td>
<td></td>
</tr>
<tr>
<td>30,000 9.55% Redeemable Non-Convertible Debentures</td>
<td>6,000</td>
<td>5,994</td>
<td></td>
</tr>
<tr>
<td>10 lakhs each</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,000</td>
<td>5,991</td>
<td></td>
</tr>
</tbody>
</table>

All the above Debentures are secured by all the moveable both present and future (except moveable assets of Mahan Aluminium Project, Aditya Aluminium Project, Kalwa plant, Silvassa Plant and Current Assets) and certain immovable properties of the Company.

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

i. The term loans from banks of ₹ 2,948 Crore (carrying amount: ₹ 2,930 Crore) are secured by a first ranking charge/ mortgage/ security interest in respect of all the moveable fixed assets and all the immovable properties of Mahan Aluminium Project, both present and future. ₹ 2,858 Crore (carrying value: ₹ 2,840 Crore) is to be repaid in 16 quarterly instalments commencing from June 2026. ₹ 90 Crore (carrying value: ₹ 90 Crore) is to be repaid in 40 quarterly instalments commencing from June 2020.

The rate of interest of this loans is based on SBI MCLR 3 Months with spread of 0.10%/ Axis Bank MCLR 1* Month/ ICICI Bank MCLR 3 Months.

* rate changed w.e.f. Sept. 2019. Previous rate of Interest was MCLR 3 Months.

ii. The term loans from banks of ₹ 6,299 Crore (carrying value: ₹ 6,273 Crore) is secured by a first ranking charge/ mortgage/security interest in respect of all the moveable and immovable fixed assets of Aditya Aluminium Project both present and future. ₹ 6,299 Crore is to be repaid in 26 quarterly instalments commencing from May 2024.

The rate of interest of this loans is based on SBI MCLR 3 Months with spread of 0.10%/ Axis Bank MCLR 1* Month/ PNB MCLR 3 Months.

* rate changed w.e.f. Sept. 2019. Previous rate of Interest was MCLR 3 Months.

iii. The term loan from banks in Group's subsidiary Utkal Alumina International Limited (Utkal) of ₹ 2,424 Crore (carrying value ₹ 2,416 Crore), is secured by (a) first ranking pari-passu mortgage/ Security Interest in respect of all the immovable properties (excluding the forest land and land surrendered for rehabilitation and resettlement colony), (b) first ranking charge on movable assets (including movable machinery, machinery spares, tools and accessories) both present and future, pertaining to the project, and (c) second charge on the current assets of Utkal (excluding cash, cash equivalents and investments) both present and future.

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

The rate of interest of this rupee term loans is based on SBI MCLR 3 months with spread of 0.10% /Axis Bank MCLR 1 month.

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

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

Foreign currency term loan includes term loan from Bank of Tokyo Mitsubishi (BTMU) of USD 40 Million (gross ₹ 301 Crore, carrying value ₹ 299 Crore) and USD 22.79 Million (gross ₹ 172 Crore, carrying value ₹ 170 Crore). BTMU loan is secured by a pari-passu first charge on all movable fixed assets of Mahan Aluminium Project,
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

both present and future. Both BTMU loans have a bullet repayment to be made at the end of the tenor which is March 31, 2022 and June 30, 2022, respectively. The interest rate of this BTMU loans is LIBOR 3 Months with spread of 1.35%.

ii. Brazil BNDES loans
Novelis Brazil entered into loan agreements with Brazil’s National Bank for Economic and Social Development (the BNDES loans) related to the plant expansion in Pindamonhangaba, Brazil (Pinda). As of March 31, 2020, there is USD 0.10 Million (₹ 12,952 Crore) of BNDES loans due within one year. The interest rate on the BNDS loans is 6.17%.

iii. Floating rate Term Loan facility
The senior secured credit facilities of Novelis Inc. consists of a) USD 1.7 Billion (₹ 13,121 Crore) five-year secured term loan credit facility (Term Loan Facility) and (ii) a USD 1.5 Billion (₹ 11,301 Crore) five-year asset based loan facility (ABL Revolver). As at March 31, 2020 the outstanding amount on its Term loan is ₹ 12,952 Crore ($1,719 Million) net of debt issuance cost of ₹ 169 Crore ($22 Million). The interest rate of this floating rate term loan facility is 3.30% and on ABL Revolver it is 1.87%.

The senior secured credit facilities contain various affirmative covenants, including covenants with respect to Novelis Inc. (Novelis) financial statements, litigation and other reporting requirements, insurance, payment of taxes, employee benefits and (subject to certain limitations) causing new subsidiaries to pledge collateral and guaranty its obligations. The senior secured credit facilities also include various customary negative covenants and events of default, including limitations on Novelis’s ability to (1) incur additional indebtedness, (2) sell certain assets, (3) enter into sale and leaseback transactions, (4) make investments, loans and advances, (5) pay dividends or returns of capital and distributions beyond certain amounts, (6) engage in mergers, amalgamations or consolidations, (7) engage in certain transactions with affiliates, and (8) prepay certain indebtedness. The Term Loan Credit Agreement also contains a financial maintenance covenant, prohibiting Novelis’s senior secured net leverage ratio as of the last day of each fiscal quarter period and measured on a rolling four quarter basis from exceeding 3.50 to 1.00, subject to customary equity cure rights. The senior secured credit facilities include a cross-default provision under which lenders could accelerate repayment of the loans if a payment or non-payment default arises under any other indebtedness with an aggregate principal amount of more than ₹ 753 Crore (USD 100 Million) (or, in the case of the Term loan Facility, under the ABL Revolver regardless of the amount outstanding). Substantially all of Novelis’s assets are pledged as collateral under the senior secured credit facilities.

As of March 31, 2020, the facility was a senior secured revolver bearing an interest rate of LIBOR plus a spread of 1.25% to 1.75% or a prime rate plus a spread of 0.25% to 0.75% based on excess availability. The ABL Revolver had a provision that allowed the facility to be increased by an additional ₹ 5,651 Crore (USD 750 Million), subject to lenders providing commitments for the increase.

ABL Revolver
In April 2019, Novelis entered into an amendment (the “ABL Amendment”) to our existing ABL Revolver. Pursuant to the terms of the amendment, the commitments under the pre-existing ₹ 7,534 Crore ($1 Billion) facility increased by ₹ 3,767 Crore ($500 Million) on October 15, 2019. Aleris and certain of its U.S. subsidiaries will become borrowers under the ABL Revolver upon closing of the acquisition, and the ABL Amendment includes additional changes to facilitate the acquisition of Aleris (including permitting borrowings under the Short Term Credit Agreement) and the inclusion of certain Aleris assets in the borrowing base following the acquisition, if consummated. The Amendment also includes additional changes to increase our operating flexibility.

As of March 31, 2020, Novelis had ₹ 4,181 Crore (USD 555 Million) in borrowings under our ABL revolver. Novelis utilized ₹ 136 Crore (USD 18 Million) of its ABL for letters of credit. Novelis had availability of ₹ 1,405 Crore (USD 186 Million) on the ABL Revolver, including ₹ 806 Crore (USD 107 Million) of remaining availability which can be utilized for letters of credit. While general ABL Revolver borrowings are made for short-term cash management purposes, this draw of ₹ 4,180 Crore (USD 555 Million) was made to ensure the Group had sufficient liquidity available for funding needs through the Aleris acquisition transaction. This amount is classified as a non-current liability due to the nature of the borrowing.

iv. Term Loan Facility for the proposed Aleris acquisition
In the second quarter of fiscal 2019, the Group, through Novelis, signed a definitive agreement to acquire Aleris, a global supplier of rolled aluminum products for USD 2.6 Billion (₹ 17,988 Crore), including the assumption of
In February 2020, Novelis entered into a short term credit agreement (the “Short Term Credit Agreement”). The Short Term Credit Agreement provides commitments of certain financial institutions to provide, subject to closing conditions (including the concurrent closing of our acquisition of Aleris), up to ₹ 5,839 Crore (USD 775 Million) of short term loans for purposes of funding a portion of the consideration payable in connection with the acquisition of Aleris, which closed on April 14, 2020, or repaying certain indebtedness of Aleris and its subsidiaries. These commitments replaced the commitments of the same financial institutions under the prior ₹ 11,301 Crore (USD 1.5 Billion) Short Term Credit Agreement entered into in December 2018, which expired in January 2020. The short term loans, once borrowed, will be unsecured, will mature one year from the date on which they are borrowed, will not be subject to any amortization payments, and will accrue interest at LIBOR (as defined in the Short Term Credit Agreement) plus 0.95%, this facility was drawn when the acquisition deal was closed on April 14, 2020. The short term loans will be guaranteed by the same entities that have provided guarantees under the Term Loan Facility and ABL Revolver.

The existing loans under Novelis’s Term Loan Facility mature on June 2, 2022, and are subject to 0.25% quarterly amortization payments. The loans under the Term Loan Facility accrue interest at LIBOR plus 1.85%.

Novelis will be required to apply the net cash proceeds it receive on or after the borrowing date from asset sales required by regulatory approvals related to the acquisition of Aleris to repay the existing and incremental term loans under the Term Loan Facility and the short term loans under the Short Term Credit Agreement (as defined above) on a pro rata basis, subject to certain re-investment rights. The Term Loan Facility requires customary mandatory prepayments with excess cash flow, other asset sale proceeds, casualty event proceeds and proceeds of prohibited indebtedness, all subject to customary re-investment rights and exceptions. The loans under the Term Loan Facility may be prepaid, in full or in part, at any time at Novelis’ election without penalty or premium. The Term Loan Facility allows for additional term loans to be issued in an amount not to exceed ₹ 2,260 Crore (USD 300 Million) (or its equivalent in other currencies) plus an unlimited amount if, after giving effect to such incurrences on a pro forma basis, the secured net leverage ratio does not exceed 3.00 to 1.00. The lenders under the Term Loan Facility have not committed to provide any such additional term loans other than the commitments under the 2020 Term Loan Increase Joinder Amendment, as described below.

**Term Loan Facility Amendments:**

In November 2018, Novelis amended the existing Term Loan Facility to, among other things, allow the incurrence of the financing contemplated to close the Aleris acquisition. Novelis also secured financing by entering into a commitment letter with certain financial institutions, which was subsequently superseded by the agreements detailed below.

In December 2018, Novelis entered into an increase joinder amendment (the “2018 Term Loan Increase Joinder Amendment”) to its existing Term Loan Facility. The 2018 Term Loan Increase Joinder Amendment governed the commitments of certain financial institutions to provide, subject to closing conditions, up to ₹ 5,839 Crore (₹ 775 Million) of incremental term loans under the terms of its existing term loan credit agreement. The commitments under the 2018 Term Loan Increase Joinder Amendment expired in January 2020.

In February 2020, Novelis entered into an amendment (the “Term Loan Amendment”) to its Term Loan Facility. The Term Loan Amendment modifies the Term Loan Facility by amending certain terms to facilitate the closing of the acquisition of Aleris.

In February 2020, Novelis entered into an increase joinder amendment (the “2020 Term Loan Increase Joinder Amendment”) to its existing Term Loan Facility. The 2020 Term Loan Increase Joinder Amendment provides commitments of certain financial institutions to provide up to ₹ 5,839 Crore (USD 775 Million) of incremental term loans under its existing term loan credit agreement. These commitments replaced the commitments of the same financial institutions under the 2018 Term Loan Increase Joinder Amendment. The proceeds of the incremental term loans were used to pay a portion of the consideration payable in the acquisition of Aleris, which closed on April 14, 2020, as well as fees and expenses related to the acquisition, the incremental term loans, and short term loans. The incremental term loans will mature five years after the date on which they are borrowed, subject to 0.25% quarterly amortization payments. The incremental term loans will, once borrowed, accrue interest at LIBOR (as defined in the Term Loan Facility) plus 1.75%. The incremental term loans will be subject to the same voluntary and mandatory prepayment provisions, affirmative and negative covenants and events of default as...
those applicable to the existing term loans outstanding under its Term Loan Facility. The incremental term loans will be guaranteed by the same entities that have provided guarantees under its Term Loan Facility and secured on a pari passu basis with its existing term loans by security interests in substantially all of the assets of Novelis and the guarantors, subject to its existing inter-creditor agreement.

(d) Unsecured Senior Notes comprise of following:
On September 14, 2016, Novelis Corporation, an indirect wholly owned subsidiary of Novelis Inc., issued USD 1.5 Billion (₹ 11,301 Crore) in aggregate principal amount of 5.875% Senior Notes due 2026 (the “2026 Senior Notes”). The 2026 Notes are guaranteed, jointly and severally, on a senior unsecured basis, by Novelis Inc. and certain of its subsidiaries. As of March 31, 2020 the outstanding amount on 2026 Senior Notes is ₹ 11,181 Crore ($1.5 Billion) net of debt issuance cost of ₹ 121 Crore ($16 Million). The interest rate on the 2026 Notes is 5.875% and are due in September 2026.

In January 2020, Novelis Corporation, issued ₹ 12,055 Crore (USD 1.6 Billion) in aggregate principal amount of 4.75% Senior Notes due 2030 (the “2030 Senior Notes” together with the 2026 Senior Notes, the “Senior Notes”). As of March 31, 2020 the outstanding amount on 2030 Senior Notes is ₹ 11,816 Crore (USD 1.6 Billion) net of debt issuance cost of ₹ 239 Crore (USD 32 Million). The proceeds were used to refinance all of Novelis Corporation’s 6.25% Senior Notes due 2024 and the remainder was utilized to pay a portion of the consideration for the acquisition of Aleris, which closed on April 14, 2020. The 2030 Senior Notes are subject to semi-annual interest payments and mature on January 30, 2030.

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

Korean Bank Loans
As of March 31, 2020, Novelis Korea had ₹ 2 Crore (USD 0.2 Million) of outstanding long-term loans with various banks due within one year. All these loan carries interest rates of 1.75%.

Bank of China Term Loan
In September 2019, Novelis entered into a credit agreement with the Bank of China to provide up to ₹ 565 Crore (USD 75 Million) in unsecured loans to support previously announced capital expansion projects in China. As of March 31, 2020 the outstanding amount of this loan is ₹ 270 Crore (USD 35.78 Million). This loan carries interest rates of 4.90%.

(f) Deferred Payment Liabilities
Deferred payment liabilities include deferred purchase payments on Acquisition of Aluinfra Asset at Novelis. On July 23, 2018, Novelis, Switzerland, an indirectly wholly owned subsidiary of Novelis Inc. acquired real and personal property from Constellium Valais SA for USD 249 Million (₹ 1,876 Crore). Out of total purchase price, USD 7.6 Million (₹ 57 Crore) is to be paid over a period of 4 years through July 2023. This facility carries interest rates of 7.5%.

(g) Finance Lease Obligations
The Group’s finance lease obligations, future minimum lease payments and their present value are following:

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>As at 31.03.2019</th>
<th>Gross Obligation</th>
<th>Present Value</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than 1 year</td>
<td>16</td>
<td>12</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Later than 1 year and not later than 5 years</td>
<td>37</td>
<td>31</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>10</td>
<td>8</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>63</td>
<td>51</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

During the year ended March 31, 2019, Novelis acquired real and personal property that was initially leased from Constellium at Sierre rolling facility, Switzerland. This transaction resulted in decrease in finance lease liabilities by ₹ 80 Crore (USD 11.59 Million). (refer Note 6 (b))

Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease obligations identified under the earlier Ind AS 17 Leases, have been reclassified and included under Lease Liability against ROU Assets which are presented on the face of the Consolidated Balance Sheet. (refer Note 54)
(h) Net Debt Reconciliation

<table>
<thead>
<tr>
<th>Liabilities from financing activities</th>
<th>Non-Current Borrowings</th>
<th>Current Borrowings</th>
<th>Lease Obligations $</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at April 01, 2018 *</td>
<td>49,369</td>
<td>3,417</td>
<td>135</td>
<td>52,921</td>
</tr>
<tr>
<td>Cash Flows (Net)</td>
<td>(2,320)</td>
<td>971</td>
<td>(93)</td>
<td>(1,442)</td>
</tr>
<tr>
<td>Acquisition - finance leases</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Foreign Exchange Adjustments</td>
<td>1,631</td>
<td>(87)</td>
<td>3</td>
<td>1,547</td>
</tr>
<tr>
<td>Fair Value Changes - (refer Note 30 (c))</td>
<td>(75)</td>
<td>-</td>
<td>-</td>
<td>(75)</td>
</tr>
<tr>
<td>Debt Issuance Costs and Amortisation (Net)</td>
<td>55</td>
<td>-</td>
<td>-</td>
<td>55</td>
</tr>
<tr>
<td>Interest Expense **</td>
<td>3,305</td>
<td>265</td>
<td>6</td>
<td>3,576</td>
</tr>
<tr>
<td>Interest Paid **</td>
<td>(3,159)</td>
<td>(248)</td>
<td>(6)</td>
<td>(3,413)</td>
</tr>
<tr>
<td>Other Changes/Reclassification</td>
<td>185</td>
<td>(57)</td>
<td>-</td>
<td>128</td>
</tr>
<tr>
<td>Balance as at March 31, 2019 *</td>
<td>48,991</td>
<td>4,261</td>
<td>51</td>
<td>53,303</td>
</tr>
<tr>
<td>Recognised on Adoption of Ind AS 116</td>
<td>-</td>
<td>-</td>
<td>956</td>
<td>956</td>
</tr>
<tr>
<td>Cash Flows (Net)</td>
<td>7,226</td>
<td>4,054</td>
<td>(334)</td>
<td>10,946</td>
</tr>
<tr>
<td>Acquisition - Right of Use Assets</td>
<td>-</td>
<td>-</td>
<td>447</td>
<td>447</td>
</tr>
<tr>
<td>Foreign Exchange Adjustments</td>
<td>3,121</td>
<td>431</td>
<td>131</td>
<td>3,683</td>
</tr>
<tr>
<td>Fair Value Changes - (refer Note 30 (c))</td>
<td>(20)</td>
<td>-</td>
<td>-</td>
<td>(20)</td>
</tr>
<tr>
<td>Debt Issuance Costs and Amortisation (Net)</td>
<td>56</td>
<td>-</td>
<td>-</td>
<td>56</td>
</tr>
<tr>
<td>Interest Expense **</td>
<td>3,785</td>
<td>242</td>
<td>55</td>
<td>4,082</td>
</tr>
<tr>
<td>Interest Paid **</td>
<td>(3,703)</td>
<td>(232)</td>
<td>(49)</td>
<td>(3,984)</td>
</tr>
<tr>
<td>Disposal/Modification/Reassessment</td>
<td>-</td>
<td>-</td>
<td>(115)</td>
<td>(115)</td>
</tr>
<tr>
<td>Other Changes/Reclassification</td>
<td>3</td>
<td>6</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Balance as at March 31, 2020 *</td>
<td>59,459</td>
<td>8,762</td>
<td>1,142</td>
<td>69,363</td>
</tr>
</tbody>
</table>

* Borrowings include Interest accrued on borrowings and current maturities of related borrowings.
** Interest expenses and interest paid relates to borrowings and lease liabilities.
$ Amounts for the year ended March 31, 2019 represents movement in Finance Lease Obligations as per earlier Ind AS 17 Leases.

23B. Borrowings, Current

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans from Banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans - (a), (b), (c) &amp; (e)</td>
<td>1,118</td>
<td>123</td>
</tr>
<tr>
<td>Foreign Currency Loans</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Loans from Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Currency Loans - (d)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,127</td>
</tr>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans from Banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans</td>
<td>1,302</td>
<td>-</td>
</tr>
<tr>
<td>Foreign Currency Loans - (f), (g)</td>
<td>6,288</td>
<td>3,313</td>
</tr>
<tr>
<td>Loans from Others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupee Loans</td>
<td>-</td>
<td>786</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7,590</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8,717</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

(c) Secured Rupee Loan includes amount received from Banks under Special Banking Arrangement where banks pay on behalf of Government of India, amount related to Fertiliser Subsidy Receivables and Government of India pay directly to Banks.

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

(e) Represents loan taken to meet the Company’s working capital requirements. The borrowings carry interest rate between 7.50% p.a. and 8.50% p.a.

(f) Balance as at 31/03/2019 includes ₹ 4,967 Crore Buyers Credit from offshore branch of a Foreign Bank with rate of interest of 6 M LIBOR.

(g) As of March 31, 2020, Novelis’s borrowings were related to ₹ 452 Crore of Brazil loans (Interest rate 5.68%), ₹ 1 Crore in Ulsan (Interest rate 2%); ₹ 128 Crore in China (Interest rate 3.69%) and ₹ 740 Crore in Korea (Interest rate 2.22%).

24. Trade Payables

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current</td>
<td>Current</td>
</tr>
<tr>
<td>Micro and Small Enterprises</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Other than Micro and Small Enterprises</td>
<td>*</td>
<td>18,280</td>
</tr>
<tr>
<td></td>
<td>*</td>
<td>18,300</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(a) Refer Note 45 for balances with related parties.

25. Other Financial Liabilities

A. Other Financial Liabilities, Non-Current

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Liabilities - (refer Note 51(B))</td>
<td>255</td>
<td>110</td>
</tr>
<tr>
<td>Liability for Capital Expenditure</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Security and Other Deposits</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Others - (a)</td>
<td>72</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>334</td>
<td>179</td>
</tr>
</tbody>
</table>

(a) Mainly includes Employee Liabilities of ₹ 68 Crore (31/3/2019: ₹ 60 Crore).
B. Other Financial Liabilities, Current

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative Liabilities - (refer Note 51(B))</td>
<td>2,100</td>
<td>1,081</td>
</tr>
<tr>
<td>Derivative matured, pending settlement</td>
<td>433</td>
<td>96</td>
</tr>
<tr>
<td>Current maturities of Finance Lease Obligations - (a)</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Current maturities of Long-term Borrowings</td>
<td>161</td>
<td>146</td>
</tr>
<tr>
<td>Interest Accrued but not due</td>
<td>964</td>
<td>888</td>
</tr>
<tr>
<td>Liability for Capital Expenditure</td>
<td>1,222</td>
<td>1,741</td>
</tr>
<tr>
<td>Security and other Deposits</td>
<td>30</td>
<td>27</td>
</tr>
<tr>
<td>Investor Education and Protection Fund</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Unclaimed Dividends - (b)</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Others</td>
<td>148</td>
<td>104</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,066</strong></td>
<td><strong>4,093</strong></td>
</tr>
</tbody>
</table>

(a) Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease obligations identified under the earlier Ind AS 17 Leases, have been reclassified and included under Lease Liability against ROU Assets which is presented on the face of the Consolidated Balance Sheet. ROU assets are created for the long term lease agreements other than low value Leases and short term leases, due to this Deferred operating lease obligation is Nil as at March 31, 2020. (refer Note 54)

(b) These amounts do not include any amount, due and outstanding, to be credited to “Investor Education and Protection Fund” except ₹ * Crore (31/03/2019: ₹ * Crore) which is held in abeyance due to legal cases pending.

(c) In terms of Debenture Subscription Agreement between Utkal Alumina International Limited ('UAIL'), a wholly owned subsidiary of the Group, and Orissa Mining Corporation Limited ('OMCL'), UAIL issued during the year, a Zero Coupon Unsecured Redeemable Non-Convertible Debentures of ₹ 3 Crore to OMCL towards its obligation to pay OMCL an amount equivalent to 15% per annum on ₹ 20 Crore as return up to March 31, 2020 which is due for redemption at par on September 30, 2020.

* Amount below rounding off convention.


<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current</td>
<td>Current</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>7,697</td>
<td>854</td>
</tr>
<tr>
<td>Assets Retirement Obligation</td>
<td>302</td>
<td>75</td>
</tr>
<tr>
<td>Environmental Liability</td>
<td>10</td>
<td>56</td>
</tr>
<tr>
<td>Enterprise Social Commitment</td>
<td>188</td>
<td>65</td>
</tr>
<tr>
<td>Renewable Power Obligation</td>
<td>-</td>
<td>186</td>
</tr>
<tr>
<td>Legal Cases</td>
<td>-</td>
<td>612</td>
</tr>
<tr>
<td>Other Provisions</td>
<td>140</td>
<td>373</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,337</strong></td>
<td><strong>2,211</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Benefits</td>
<td>8,551</td>
</tr>
<tr>
<td>Assets Retirement Obligation</td>
<td>377</td>
</tr>
<tr>
<td>Environmental Liability</td>
<td>66</td>
</tr>
<tr>
<td>Enterprise Social Commitment</td>
<td>243</td>
</tr>
<tr>
<td>Renewable Power Obligation</td>
<td>186</td>
</tr>
<tr>
<td>Legal Cases</td>
<td>612</td>
</tr>
<tr>
<td>Other Provisions</td>
<td>513</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,997</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Provision Type</th>
<th>Balance as at April 01, 2018</th>
<th>Recognised/Reversed</th>
<th>Reclassified</th>
<th>Used/Paid</th>
<th>Unwinding of discounts</th>
<th>Exchange adjustment</th>
<th>Other</th>
<th>Balance as at March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets Retirement Obligation</td>
<td>416</td>
<td>50</td>
<td>146</td>
<td>152</td>
<td>754</td>
<td>1,991</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Liability</td>
<td>64</td>
<td>108</td>
<td>165</td>
<td>26</td>
<td>168</td>
<td>524</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Social Commitment</td>
<td>22</td>
<td>5</td>
<td>31</td>
<td>190</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewable Power Obligation</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Cases</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Provisions *</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>475</td>
<td>318</td>
<td>1,997</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Primarily includes provisions towards restructuring, rehabilitation, carbon emission, etc.

(c) Brief Description of Provisions:

i) **Assets Retirement Obligations:**
Asset Retirement Obligation (ARO) is a legal or constructive obligation associated with the ash ponds, red mud ponds, ash pipeline and coal transportation system in refineries and mining lands where these lands need to be restored back to usable condition after closing of activities. This is a statutory requirement in which the timing or method of settlement may be conditional on one or multiple future events, the occurrence of which may not be within the control of the entity. The outflow of economic resources is expected during FY 2021 to FY 2047. The same has been appropriately discounted.

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

iii) **Enterprise Social Commitment:**
Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area where new project is being setup. This is generally defined as a certain percentage of the total cost of the project. The outflow of economic resources is expected during FY 2021 to FY 2056. This has been appropriately discounted wherever necessary.

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

v) **Renewable Power Obligation:**
Obligations have been imposed on captive power producing units in certain group entities to purchase energy from renewable sources by various state electricity regulatory commissions based on each state’s varying renewable energy potentials. Known as Renewable Purchase Obligations (RPOs), captive power plants are bound to meet them by purchasing a certain percentage of their requirements from renewable energy sources.
vi) **Other Provisions:**
Restructuring charges include employee severance and benefit costs and other costs associated with exit activities. Severance costs are recognized when management with the proper level of authority has committed to a restructuring plan and communicated those actions to employees. Other exit costs include environmental remediation costs and contract termination costs, primarily related to equipment and facility lease obligations. At each reporting date, we evaluate the provisions for restructuring costs to ensure the provisions are still appropriate.

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

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

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

(d) Pursuant to the issuance of notification by Odisha Electricity Regulatory Commission (OERC) dated December 31, 2019, on pegging of renewable power obligation (RPO) by obligated units based on their year of commissioning, the Group has provided for RPO during the year at the reduced rate. Pending clarification and guidance on carry over of excess Renewable Energy Certificates (RECs) purchased by the Group, arising out of retrospective application of the said notification for period prior to April 1, 2019, no adjustments has been made for period prior to April 1, 2019.

### 27. Other Liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current</td>
<td>Current</td>
</tr>
<tr>
<td>Customer Refund Liability - (a) (refer Note 29)</td>
<td>-</td>
<td>89</td>
</tr>
<tr>
<td>Statutory Dues Payables</td>
<td>170</td>
<td>708</td>
</tr>
<tr>
<td>Deferred Income - (b) &amp; (c)</td>
<td>1,173</td>
<td>71</td>
</tr>
<tr>
<td>Other Payables</td>
<td>34</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,377</strong></td>
<td><strong>889</strong></td>
</tr>
</tbody>
</table>

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

(b) Mainly includes deferred income in respect of grant related to Export Promotion Capital Goods (EPCG) ₹ 628 Crore (31/03/2019: ₹ 615 Crore) in non-current portion and ₹ 21 Crore (31/03/2019: ₹ 21 Crore) in current portion.

(c) Mainly includes deferred government grant income of ₹ 545 Crore (31/03/2019: ₹ 531 Crore) in non-current portion and ₹ 44 Crore (31/03/2019: ₹ 63 Crore) in current portion.

### 28. Contract Liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-Current</td>
<td>Current</td>
</tr>
<tr>
<td>Advance from Customers - (refer Note 29)</td>
<td>14</td>
<td>188</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>188</strong></td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

<table>
<thead>
<tr>
<th>Description</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 31.03.2020</strong></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td>197</td>
</tr>
<tr>
<td>Amount received during the year against which revenue has not been recognized</td>
<td>142</td>
</tr>
<tr>
<td>Revenue recognized during the year</td>
<td>-</td>
</tr>
<tr>
<td>Less: Contract liabilities at the beginning of the year</td>
<td>(141)</td>
</tr>
<tr>
<td>Less: Performance obligations satisfied in previous years</td>
<td>-</td>
</tr>
<tr>
<td>Less: Others</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange gains and losses</td>
<td>4</td>
</tr>
<tr>
<td><strong>Balance at end of the year</strong></td>
<td><strong>202</strong></td>
</tr>
</tbody>
</table>

29. Revenue from Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>₹ in Crore</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from Contract with Customers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of Products - (a) &amp; (b)</td>
<td>116,159</td>
<td>128,557</td>
<td></td>
</tr>
<tr>
<td>Traded Sales</td>
<td>156</td>
<td>216</td>
<td></td>
</tr>
<tr>
<td>Sale of Services - (c)</td>
<td>825</td>
<td>839</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue from Contract with Customers</strong></td>
<td><strong>117,140</strong></td>
<td><strong>129,612</strong></td>
<td></td>
</tr>
<tr>
<td>Other Operating Revenues - (a) &amp; (d)</td>
<td>1,004</td>
<td>930</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue from Contract with Customers</strong></td>
<td><strong>118,144</strong></td>
<td><strong>130,542</strong></td>
<td></td>
</tr>
</tbody>
</table>

Reconciliation of revenue recognised with contract price:

<table>
<thead>
<tr>
<th>Description</th>
<th>₹ in Crore</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Price</td>
<td>116,541</td>
<td>129,960</td>
<td></td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refund Liabilities and Discounts</td>
<td>(699)</td>
<td>(564)</td>
<td></td>
</tr>
<tr>
<td>Hedging Gain/(Loss)</td>
<td>1,283</td>
<td>241</td>
<td></td>
</tr>
<tr>
<td>Others - Provisionally priced contracts</td>
<td>15</td>
<td>(25)</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue from Contracts with Customers</strong></td>
<td><strong>117,140</strong></td>
<td><strong>129,612</strong></td>
<td></td>
</tr>
</tbody>
</table>

(a) Includes sale of Di-ammonium phosphate (DAP) including nutrient based subsidy of Phosphorus (P) & Potassium (K) ₹ 234 Crore (year ended 31/03/2019 ₹ 311 Crore).

(b) Sales of Copper products and precious metals are accounted for provisionally, pending finalization of price and quantity. Variations are accounted for in the period of settlement. Final price receivable on sale of above products for which provisional price was not finalized are realigned at year end forward LME/LMBA rate and is being presented as part of other operating revenue. Revenue from subsequent variation in price movement as at 31/03/2020 is loss of ₹ 1 Crore (31/03/2019: gain of ₹ 43 Crore), including subsequent variation in price movement from trading sales of ₹ Nil (31/03/2019: gain of ₹ 20 Crore).

(c) Sale of Services represents Freight and Insurance on certain Export contracts as well as shipping and handling charges related to FOB shipping point, which are identified as separate performance obligation and have been accounted for as service revenue.

(d) Includes Government grant in the nature of sales related export incentives and other benefits of ₹ 318 Crore (31/03/2018: ₹ 393 Crore).
(e) Group’s revenue from external customers as analysed by the country, in which customers are located is given below:

<table>
<thead>
<tr>
<th>Country</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>2,872</td>
<td>3,1961</td>
</tr>
<tr>
<td>Outside India</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>28,290</td>
<td>32,189</td>
</tr>
<tr>
<td>Brazil</td>
<td>13,260</td>
<td>14,221</td>
</tr>
<tr>
<td>Korea</td>
<td>6,745</td>
<td>5,536</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5,812</td>
<td>7,567</td>
</tr>
<tr>
<td>Germany</td>
<td>4,456</td>
<td>4,488</td>
</tr>
<tr>
<td>China</td>
<td>1,682</td>
<td>3,502</td>
</tr>
<tr>
<td>Others</td>
<td>29,027</td>
<td>31,078</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>118,144</strong></td>
<td><strong>130,542</strong></td>
</tr>
</tbody>
</table>

(f) The Group recognises revenue at a point in time.

### 30. Other Income

<table>
<thead>
<tr>
<th>Interest Income</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Non-Current Investments</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>On Current Investments</td>
<td>36</td>
<td>66</td>
</tr>
<tr>
<td>On Others - (a)</td>
<td>252</td>
<td>476</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dividend Income</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Non-Current Investments</td>
<td>35</td>
<td>45</td>
</tr>
<tr>
<td>On Current Investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent Income</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gains/(Loss) on Property, Plant and Equipment and Intangibles Assets sold/discarded (Net)</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(7)</td>
<td>(67)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities no longer required written back</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>83</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gains/(Loss) on Financial Investments Measured at FVTPL (Net)</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>On sale of Financial Assets</td>
<td>157</td>
<td>518</td>
</tr>
<tr>
<td>On change of Fair Value of Financial Assets</td>
<td>299</td>
<td>(195)</td>
</tr>
<tr>
<td>Government Grants - (b)</td>
<td>79</td>
<td>85</td>
</tr>
<tr>
<td>Other Non-Operating Income (Net) - (c), (d)</td>
<td>236</td>
<td>143</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,186</strong></td>
<td><strong>1,127</strong></td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.*

(a) Interest Income on others includes ₹ 46 Crore (year ended 31/03/2019 ₹ 257 Crore) of interest received from Income Tax Department.

(b) Grant income mainly includes carbon emission credit allotments of ₹ 77 Crore (31/03/2019: ₹ 84 Crore) for certain operations in Europe and Asia and grant income associated with fixed assets investments in North America, South America and Asia of Group’s subsidiary Novelis Inc.

(c) Includes gain on modification of borrowings ₹ 19 Crore (31/03/2019: ₹ 75 Crore) resulting from change in amount and timing of expected cash flow payments on term loans. It also includes gain recognised on account of change in loan amortisation schedule ₹ 1 Crore (31/03/2019: ₹ Nil) due to change in benchmark rate.

(d) Current year amount includes gain of ₹ 63 Crore on Brazil tax litigation where the Group has received multiple favorable rulings during the fiscal years ended March 31, 2020 and 2019 from the Brazilian court that recognized the right to exclude certain taxes related to contributions to the social integration program and social security contributions on gross revenues, also known as PIS and COFINS.
### 31. Cost of Materials Consumed

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Materials - (a)</td>
<td>68,030</td>
<td>78,066</td>
</tr>
<tr>
<td>Packing Materials</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>68,032</strong></td>
<td><strong>78,068</strong></td>
</tr>
</tbody>
</table>

(a) Purchase of copper concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the period of settlement. Final price payable on purchase of copper concentrate for which provisional price and quantity were not finalized during the year are realigned based on forward LME and LBMA rate. Impact on cost from subsequent variation in price movement for year ended 31/03/2020 was gain of ₹217 Crore (year ended 31/03/2019 loss of ₹158 Crore).

### 32. Trade Purchases

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials Purchase - (a)</td>
<td>256</td>
<td>235</td>
</tr>
<tr>
<td></td>
<td><strong>256</strong></td>
<td><strong>235</strong></td>
</tr>
</tbody>
</table>

(a) Includes gain on realignment of ₹6 Crore (31/03/2019 loss ₹20 Crore) based on forward LBMA/LME rates for provisionally priced trade purchases.

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

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-in-Progress</td>
<td>10,748</td>
<td>10,620</td>
</tr>
<tr>
<td>Finished Goods</td>
<td>3,304</td>
<td>3,327</td>
</tr>
<tr>
<td>Stock-in-Trade</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>14,052</strong></td>
<td><strong>13,947</strong></td>
</tr>
<tr>
<td>Less: Closing Inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-in-Progress</td>
<td>10,102</td>
<td>10,748</td>
</tr>
<tr>
<td>Finished Goods</td>
<td>4,500</td>
<td>3,304</td>
</tr>
<tr>
<td>Stock-in-Trade</td>
<td>127</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>14,729</strong></td>
<td><strong>14,052</strong></td>
</tr>
<tr>
<td>Currency Translation Adjustment (Net)</td>
<td>660</td>
<td>491</td>
</tr>
<tr>
<td>Net Change</td>
<td>(17)</td>
<td>386</td>
</tr>
</tbody>
</table>

### 34. Employee Benefits Expenses

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>6,298</td>
<td>6,371</td>
</tr>
<tr>
<td>Post-Employment Benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to Provident Fund and Other Defined Contribution Funds (refer Note 47)</td>
<td>699</td>
<td>612</td>
</tr>
<tr>
<td>Gratuity and Other Defined Benefit Plans (refer Note 47)</td>
<td>603</td>
<td>643</td>
</tr>
<tr>
<td>Employee Share-Based Payment (refer Note 46)</td>
<td>28</td>
<td>10</td>
</tr>
<tr>
<td>Equity/Settled Share-Based Payment</td>
<td>(7)</td>
<td>135</td>
</tr>
<tr>
<td>Cash/Settled Share-Based Payment</td>
<td>1,263</td>
<td>1,306</td>
</tr>
<tr>
<td>Employee Welfare Expenses</td>
<td>8,884</td>
<td>9,077</td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development</td>
<td>(52)</td>
<td>(34)</td>
</tr>
<tr>
<td></td>
<td><strong>8,832</strong></td>
<td><strong>9,043</strong></td>
</tr>
</tbody>
</table>
Impact of Hon’ble Supreme Court judgment on computation of provident fund contribution:
The Hon’ble Supreme Court of India (“SC”) by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Group have given effect of the above judgement effective March 1, 2019. This does not have any material impact on the Consolidated Financial Statements.

35. Power and Fuel

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power and Fuel Expenses</td>
<td>9,696</td>
<td>9,618</td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress/Intangible Assets under development</td>
<td>(1)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,695</strong></td>
<td><strong>9,618</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

36. Finance Costs

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Expenses on Financial Liabilities not at FVTPL - (a)</td>
<td>3,555</td>
<td>3,607</td>
</tr>
<tr>
<td>Interest expense for lease arrangements - (b)</td>
<td>55</td>
<td>-</td>
</tr>
<tr>
<td>(Gain) /Loss on Foreign Currency Transactions and Translation (Net)</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>(Gain)/ Loss on Extinguishment of Debt - (c), (d)</td>
<td>568</td>
<td>-</td>
</tr>
<tr>
<td>Other Borrowing Costs - (e)</td>
<td>159</td>
<td>182</td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development - (e)</td>
<td>(149)</td>
<td>(23)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,346</strong></td>
<td><strong>3,801</strong></td>
</tr>
</tbody>
</table>

(a) Includes difference between effective interest rate and contracted interest rate of ₹ 41 Crore (31/03/2019: ₹ 39 Crore) mainly from amortisation of debt issuance cost and modification of in borrowings.

(b) Subsequent to introduction of Ind AS 116 ‘Leases’, the Group has recognized Long Term leases as ROU Assets and created Lease Obligation representing Present Value of future minimum lease payment. The unwinding of such obligation is recognized as Interest Expenses. Following transitional provision under Ind AS 116 ‘Leases’, previous year numbers have not been reclassified.

(c) As a result of entering into increase in “2020 Term Loan Increase Joinder Amendment” and “Short Term Credit Agreement” in February 2020, the Group has recognized ₹ 106 Crore ($15 Million) of “Loss on extinguishment of debt” relating to Aleris acquisition, pertaining to unamortized balance of commitment fees and other costs for earlier commitments entered in December 2018. refer Note 23A.

(d) Additionally, the Group has recognised ₹ 462 Crore ($65 Million) of “Loss on extinguishment of debt” pertaining to Senior Notes. refer Note 23A.

(e) Includes unwinding of discount on Enterprise Social Commitment and Asset Retirement Obligation.

(f) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to general borrowings.

37. Depreciation and Amortisation

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of Property, Plant and Equipment</td>
<td>4,271</td>
<td>4,201</td>
</tr>
<tr>
<td>Depreciation of ROU Assets</td>
<td>261</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation of Investment Properties</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Amortisation of Intangible Assets</td>
<td>563</td>
<td>575</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,096</strong></td>
<td><strong>4,777</strong></td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress</td>
<td>(5)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,091</strong></td>
<td><strong>4,777</strong></td>
</tr>
</tbody>
</table>
38. Impairment Loss/ (Reversal) of Non-Current Assets (Net)

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Impairment Loss/ (Reversal) on items of Property, Plant and Equipment</td>
<td>6</td>
</tr>
<tr>
<td>(ii)</td>
<td>Impairment Loss on CWIP</td>
<td>6 (g)</td>
</tr>
<tr>
<td>(iii)</td>
<td>Impairment Loss on Intangible Assets under Development</td>
<td>9 (e)</td>
</tr>
<tr>
<td></td>
<td>Total Impairment Loss/ (Reversal)</td>
<td></td>
</tr>
<tr>
<td>(iv)</td>
<td>Less: Amounts of Impairment Loss recognised under Exceptional Income/ (Expenses) (Net)</td>
<td>40 (b)</td>
</tr>
<tr>
<td></td>
<td>Total Impairment Loss/ (Reversal) recognised during the year</td>
<td></td>
</tr>
</tbody>
</table>

The Group assess the recoverability of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that we may not be able to recover the asset’s carrying amount. Such events or circumstances include, but are not limited to, a significant decrease in the fair value of the underlying business, change in utilization of property and equipment and intangible assets, or market factors such as metal price and input costs.

If any indication exists and an impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and it will be its new cost basis. For a depreciable asset, the new cost basis will be depreciated over the remaining useful life of that asset. For an amortizable intangible asset, the new cost basis will be amortized over the remaining useful life of the asset.

Impairment loss calculations require management to apply judgments in estimating future cash flows to determine asset fair values, including forecasting useful lives of the assets and selecting the discount rate that represents the risk inherent in future cash flows. Impairment charges are recorded in “Impairment Loss/ (Reversal) of Non-Current Assets (Net)” in the Consolidated statement of profit and loss.

For the year ended March 31, 2020, Novelis Inc. has recognised impairments its certain property, plant and equipment due to portfolio optimization efforts resulting in the upcoming closure of certain non-core operations in Europe.

During the year ended March 31, 2019, Novelis Inc. reversed ₹ 10.75 Crore ($1.5 Million) of impairment in its property, plant and equipment at our Gottingen, Germany, facility due to the availability of a buyer for its litho line facility. During the year ended March 31, 2020, it was sold.

39A. Impairment Loss on Financial Assets (Net)

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for Doubtful Loans, Advances and Debts / (written back) (Net)</td>
<td>55</td>
<td>22</td>
</tr>
<tr>
<td>Bad Loans, Advances and Receivables Written off/ (Written back) (Net)</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Total Impairment Loss on Financial Assets (Net)</td>
<td>56</td>
<td>29</td>
</tr>
</tbody>
</table>
39B. Other Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of Stores and Spares</td>
<td>2,915</td>
<td>2,804</td>
</tr>
<tr>
<td>Repairs to Buildings</td>
<td>250</td>
<td>236</td>
</tr>
<tr>
<td>Repairs to Machinery</td>
<td>1,883</td>
<td>1,912</td>
</tr>
<tr>
<td>Rates and Taxes</td>
<td>127</td>
<td>116</td>
</tr>
<tr>
<td>Rental Charges (refer Note 54)</td>
<td>-</td>
<td>321</td>
</tr>
<tr>
<td>Leases Expenses - (a)</td>
<td>177</td>
<td>-</td>
</tr>
<tr>
<td>Insurance Charges</td>
<td>203</td>
<td>157</td>
</tr>
<tr>
<td>Payments to Auditors</td>
<td>56</td>
<td>53</td>
</tr>
<tr>
<td>Research and Development</td>
<td>625</td>
<td>531</td>
</tr>
<tr>
<td>Freight and Forwarding Expenses (Net) - (b)</td>
<td>4,097</td>
<td>4,467</td>
</tr>
<tr>
<td>Donation - (c)</td>
<td>111</td>
<td>32</td>
</tr>
<tr>
<td>Directors’ Fees and Commission</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>(Gain)/ Loss on assets held for sale</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>(Gain)/ Loss on Change in Fair Value of Derivatives (Net)</td>
<td>(203)</td>
<td>(14)</td>
</tr>
<tr>
<td>(Gain) /Loss on Foreign Currency Transactions and Translation (Net)</td>
<td>108</td>
<td>54</td>
</tr>
<tr>
<td>Premium on Coal Extraction</td>
<td>250</td>
<td>747</td>
</tr>
<tr>
<td>Miscellaneous Expenses - (d), (e)</td>
<td>6,345</td>
<td>6,344</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td><strong>16,955</strong></td>
<td><strong>17,790</strong></td>
</tr>
<tr>
<td>Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development</td>
<td>(15)</td>
<td>(127)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,940</strong></td>
<td><strong>17,663</strong></td>
</tr>
</tbody>
</table>

(a) Details of lease expenses not included in the measurement of lease liabilities:

- Short Term Leases: 131
- Variable Lease Payments: 35
- Leases of Low Value Assets: 11

(b) Freight and forwarding expenses are net of freight subsidy of ₹ 25 Crore (year ended 31/03/2019 ₹ 31 Crore) on sale of DAP.

(c) Donation includes ₹ 68 Crore (year ended 31/03/2019 of ₹ 13 Crore) paid towards political donation, out of which ₹ 10 Crore (year ended 31/03/2019 of ₹ 13 Crore) paid to AB General Electoral Trust (erstwhile General Electoral Trust) and ₹ 58 Crore paid through Electoral Bonds.

(d) Miscellaneous expenses include ₹ * Crore (31/03/2019: ₹ * Crore) paid to a firm of solicitors in which one of the Directors of the Company is a partner.

(e) Includes ₹ 292 Crore (31/03/2019: ₹ 165 Crore) towards acquisition of Aleris.

* Amount below rounding off convention.

40. Exceptional Income/ (Expenses) (Net)  

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional Income - (a)</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Exceptional Expenses - (b), (c)</td>
<td>(309)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Exceptional Expenses</strong></td>
<td><strong>(284)</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

Details of Exceptional Items are given below:

(a) **Slump Sale:**

During the year ended March 31, 2020, the Company sold its aluminium foil manufacturing unit situated at Kollur, Andhra Pradesh. The transaction resulted in profit of ₹ 25 Crore on its sale on a slump sale basis.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Restructuring Expenses:
During the year ended March 31, 2020, Novelis announced its plans to cease operations at a foil plant in Germany to further optimize its product portfolio, which led to the recognition of ₹ 220 Crore in severance and other related expenses. The total amount of all costs related to the restructuring includes ₹ 149 Crore related to employee severance, ₹ 65 Crore related to the impairment of property, plant, and equipment and ₹ 6 Crore to write offs of inventories.

(c) Restoration Expenses:
During the year ended March 31, 2020, the Company has incurred expenses of ₹ 89 Crore towards restoration of Red Mud Pond and other related expenses at alumina refinery at Muri, Jharkhand.

41. Tax Expenses
The Group’s income tax expenses and effective tax rate reconciliation given below:

(a) Amount recognised in Statement of Profit and Loss

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Tax Expenses for the year</td>
<td>1,556</td>
<td>1,910</td>
</tr>
<tr>
<td>Adjustments for current tax of prior periods (Net)</td>
<td>(15)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Tax</strong></td>
<td>1,541</td>
<td>1,910</td>
</tr>
<tr>
<td><strong>Deferred Tax</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Income Tax Expenses - (ii)</td>
<td>857</td>
<td>1,455</td>
</tr>
<tr>
<td>MAT Credit Entitlement</td>
<td>(241)</td>
<td>(777)</td>
</tr>
<tr>
<td><strong>Total Deferred Tax</strong></td>
<td>616</td>
<td>678</td>
</tr>
<tr>
<td><strong>Total Income Tax Expenses</strong></td>
<td>2,157</td>
<td>2,588</td>
</tr>
</tbody>
</table>

i. Applicable Indian Statutory Income Tax rate for the year ended March 31, 2020 and March 31, 2019 is 34.944% and 34.944%, respectively.

ii. Deferred income tax expenses during the year ended March 31, 2020 includes the effect of change in tax rates - benefit of ₹ 44 Crore primarily related to Swiss tax reform and the substantive enactment of a statutory rate change in the United Kingdom. In fiscal year 2019, the effect of change in tax rates - expense of ₹ 6 Crore primarily related to a state legislative change in the United States.

iii. MAT Credit entitlement includes ₹ 89 Crore (31/03/2019: ₹ 402 Crore) pertains to Utkal Alumina International Limited.

(b) Reconciliation of Effective Tax Rate

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit/ (Loss) before Tax</strong></td>
<td>5,924</td>
<td>8,083</td>
</tr>
<tr>
<td>Indian Statutory Income Tax Rate (%)</td>
<td>34.944%</td>
<td>34.944%</td>
</tr>
<tr>
<td><strong>Tax expenses using the Company’s domestic tax rate</strong></td>
<td>2,070</td>
<td>2,825</td>
</tr>
<tr>
<td><strong>Tax effect of adjustments to reconcile reported income tax expense:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax credits and other concessions</td>
<td>(120)</td>
<td>(110)</td>
</tr>
<tr>
<td>Income exempt from tax</td>
<td>(120)</td>
<td>(32)</td>
</tr>
<tr>
<td>Expenses not deductible in determining taxable profit</td>
<td>197</td>
<td>59</td>
</tr>
<tr>
<td>Tax on income (domestic and foreign) at rates different from statutory income tax rate</td>
<td>(202)</td>
<td>(193)</td>
</tr>
<tr>
<td>Adjustments pertaining to prior years</td>
<td>(15)</td>
<td>-</td>
</tr>
<tr>
<td>Change in previously unrecognised tax loss, tax credit or temporary difference of a prior period</td>
<td>-</td>
<td>(301)</td>
</tr>
<tr>
<td>Uncertain tax positions</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Tax on Undistributed Earnings</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Deferred tax not recognised on carry forward losses and benefits</td>
<td>110</td>
<td>164</td>
</tr>
<tr>
<td>Foreign exchange translation and remeasurement</td>
<td>212</td>
<td>162</td>
</tr>
<tr>
<td>Others</td>
<td>(16)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Total Tax expenses recognised in the Consolidated Statement of Profit and Loss</strong></td>
<td>2,157</td>
<td>2,588</td>
</tr>
</tbody>
</table>
42. Other Comprehensive Income/ (Loss)

The disaggregation of changes to other comprehensive income (OCI) by each class is given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Tax</td>
</tr>
<tr>
<td>(i) Items that will not be reclassified to Statement of Profit and Loss (Net)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of Defined Benefit Obligation</td>
<td>(651)</td>
<td>165</td>
</tr>
<tr>
<td>Change in Fair Value of Equity Instruments designated as FVTOCI</td>
<td>(2,676)</td>
<td>10</td>
</tr>
<tr>
<td>Share in Equity Accounted Investments</td>
<td>*</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(3,327)</td>
<td>175</td>
</tr>
<tr>
<td>(ii) Items that will be reclassified to Statement of Profit and Loss (Net)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Fair Value of Debt Instruments designated as FVTOCI</td>
<td>5</td>
<td>(2)</td>
</tr>
<tr>
<td>Effective portion of Cash Flow Hedges</td>
<td>(640)</td>
<td>235</td>
</tr>
<tr>
<td>Cost of Hedging Reserve</td>
<td>(589)</td>
<td>206</td>
</tr>
<tr>
<td>Foreign Currency Translation Reserve</td>
<td>1,214</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(10)</td>
<td>439</td>
</tr>
<tr>
<td>Total Other Comprehensive Income</td>
<td>(3,337)</td>
<td>614</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

43. Earnings Per Share (EPS)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/ (Loss) for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As per Consolidated Statement of Profit and Loss</td>
<td>3,767</td>
<td>5,495</td>
</tr>
<tr>
<td>Less: Non-Controlling Interests in Profit/ (Loss)</td>
<td>*</td>
<td>(1)</td>
</tr>
<tr>
<td>Profit/ (Loss) attributable to Owners of the Company</td>
<td>3,767</td>
<td>5,496</td>
</tr>
<tr>
<td>Weighted average number of equity shares for calculation of EPS:</td>
<td>2,223,957,744</td>
<td>2,227,573,655</td>
</tr>
<tr>
<td>Weighted average number of equity shares for Basic EPS</td>
<td>991,162</td>
<td>1,126,728</td>
</tr>
<tr>
<td>Dilutive impact of Employee Stock Options Scheme</td>
<td>2,224,948,906</td>
<td>2,228,700,383</td>
</tr>
<tr>
<td>Face value of per Equity Share (₹)</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic (₹)</td>
<td>16.94</td>
<td>24.67</td>
</tr>
<tr>
<td>Diluted (₹)</td>
<td>16.93</td>
<td>24.66</td>
</tr>
</tbody>
</table>

*Amount below rounding off convention.

Treasury shares are excluded from weighted-average numbers of equity shares used as a denominator in the calculation of EPS.

Stock options granted to the employees under various ESOP schemes are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The stock options have not been included in the determination of basic earnings per share. The details relating to stock options are under Note 46.
44. Segment Information:

During the year, in line with the changes in the internal structure for reporting financial information to the entity's chief operating decision maker (CODM), the Group has changed its Segment disclosures in the consolidated financial statements as per Ind AS 108 “Operating Segments”, from previously reported segments being Aluminium, Copper and Novelis to revised segments being ‘Aluminium’, ‘Copper’, ‘Novelis’ and ‘All Other Segments’. The corresponding segment information of previous year have been restated accordingly. Description of each of the reporting segments is as under:

i. Aluminium Segment: This segment represents Aluminium Business of the Company and Utkal Alumina International Limited, a wholly owned subsidiary of the Company, which includes manufacturing and selling of Hydrate and Alumina, Aluminium and Aluminium Products.

ii. Copper Segment: This segment represents Copper Business of the Company and Dahej Harbour and Infrastructure Limited, a wholly owned subsidiary of the Company that operates a captive Jetty of the Group, and in the business of manufacturing and selling of Copper Cathode, Continuous Cast Copper Rods, Sulphuric Acid, DAP & Complexes, Gold, Silver and other precious metals.

iii. Novelis Segment: This segment represents Novelis Inc., a wholly owned foreign subsidiary, engaged in producing and selling aluminium sheet and light gauge products and operating in all four continents viz. North America, South America, Europe and Asia. This is identified as a separate reportable segment based on its geographical area and regulatory environment.

iv. All Other Segment: This segment represents remaining subsidiaries of the Group and the segment information of which was previously included either as part of Aluminium segment and/or as part of unallocable items.

The chief operating decision maker (CODM) primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment’s revenues, segment assets and segment liabilities on regular basis.

A. Segment Profit or Loss:

Segment's performance are measured based on Segment EBITDA. Segment EBITDA is defined as under:

For Aluminium segment and Copper segment:

Segment EBITDA is “Earnings before Finance Costs, Exceptional Income / (Expenses), Tax Expenses, Depreciation and Amortization, certain un-allocable corporate expenses which are not related to the performance of the segment, Impairment of Non-Current Assets, Investment income, Fair value gains or losses on financial assets and share in profit/loss in equity accounted investments”.

Further, in line with the changes in the internal structure for reporting financial information to the entity’s chief operating decision maker (CODM), the Group has changed the basis of allocation of corporate expenses between Aluminium and Copper segment. Instead of the earlier allocation on the basis of Revenue of each segment, a weighted average ratio has been determined considering Revenue, Capital Employed, Cash Profit and Net Block of each segment. Due to this change, segment results for Copper Segment has increased with a corresponding decrease in the segment results of Aluminium Segment. The corresponding segment information of previous year have been restated accordingly.

For Novelis segment:

During the year, the Group has changed its Segment income measurement for Novelis segment from EBITDA to adjusted EBITDA. Adjusted EBITDA is earnings before (a) Depreciation and amortization expenses; (b) Finance cost - net; (c) Interest income; (d) Unrealized gains or losses on change in fair value of derivative instruments, net, except for foreign currency remeasurement hedging activities, which are included in segment income; (e) Realized (gains)/losses on derivative instruments; (f) Impairment loss or reversal, net; (g) Gain or loss on extinguishment of debt; (h) non controlling interest's share; (i) Exceptional income or cost; (j) Restructuring costs; (k) Profit or loss on plant, property and equipment and intangibles sold or discarded, net; (l) Other costs/income, net; (m) litigation settlement, net of insurance recoveries; (n) sale transaction fees; (o) cumulative effect of accounting change, net of tax; (p) metal price lag; and (q) Business acquisition and other integration related costs; which is in line with the segment information for Novelis that has been reported in accordance with its quarterly US GAAP financial information filed with the Securities Exchange Commission of the United States of America. Recognition and measurement differences between US GAAP and Ind AS accounting policies have been separately identified as part of reconciliation in the segment information. The corresponding segment information of earlier periods have been restated accordingly.
For All Other segments:

This segment represents remaining subsidiaries of the Group which are the separate legal entities. For this Segment EBITDA is “Earnings before Finance Costs, Exceptional Income / (Expenses), Tax Expenses, Depreciation and Amortization and Impairment of Non-Current Assets”.

Segment EBITDA are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelis</td>
<td>10,435</td>
<td>9,565</td>
</tr>
<tr>
<td>Aluminium</td>
<td>3,729</td>
<td>5,096</td>
</tr>
<tr>
<td>Copper</td>
<td>1,276</td>
<td>1,683</td>
</tr>
<tr>
<td>All Other Segments</td>
<td>(16)</td>
<td>(76)</td>
</tr>
<tr>
<td>Total Segment EBITDA</td>
<td>15,424</td>
<td>16,268</td>
</tr>
</tbody>
</table>

Segment EBITDA reconciles to Profit/ (Loss) before Tax from Continuing Operations as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Segment EBITDA</td>
<td>15,424</td>
<td>16,268</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(4,197)</td>
<td>(3,778)</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>(5,091)</td>
<td>(4,777)</td>
</tr>
<tr>
<td>Impairment Loss/ (Reversal) of Non-current Assets (Net)</td>
<td>(44)</td>
<td>11</td>
</tr>
<tr>
<td>Share in Profit/ (Loss) in Equity Accounted Investments (Net of Tax)</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Exceptional Items (Net)</td>
<td>(284)</td>
<td>-</td>
</tr>
<tr>
<td>Interest and Dividend Income</td>
<td>239</td>
<td>502</td>
</tr>
<tr>
<td>Gains/ (losses) on Financial Assets Measured at fair value through Profit and Loss (Net)</td>
<td>454</td>
<td>320</td>
</tr>
<tr>
<td>Adjustment on account of different accounting policies for Novelis Segment</td>
<td>287</td>
<td>20</td>
</tr>
<tr>
<td>Other Unallocated Income/ (Expenses) (Net)</td>
<td>(868)</td>
<td>(483)</td>
</tr>
<tr>
<td>Profit/ (Loss) before Tax</td>
<td>5,924</td>
<td>8,083</td>
</tr>
</tbody>
</table>

Following amount are either included in the measure of segment profit or loss reviewed by the CODM or are regularly provided to the CODM:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income - (a)</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>Gains/ (losses) on Financial Assets Measured at fair value through Profit and Loss (Net)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and Amortization - (b)</td>
<td>3,039</td>
<td>1,818</td>
</tr>
<tr>
<td>Impairment Loss/ (Reversal) of Non-Current Assets (Net) - (b)</td>
<td>44</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2019</th>
<th>Year ended 31.03.2019</th>
<th>Year ended 31.03.2019</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income - (a)</td>
<td>-</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains/ (losses) on Financial Assets Measured at fair value through Profit and Loss (Net)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization - (b)</td>
<td>2,763</td>
<td>1,804</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment Loss/ (Reversal) of Non-Current Assets (Net) - (b)</td>
<td>(11)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Represents interest income from customers/security deposits, etc., which are included in the measure of segment profit or loss.

(b) Does not included in the measure of segment profit or loss but provided to the CODM.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B. Segment Revenue:
For all reportable segments except Novelis, the segment revenue is measured in the same way as measured in the Statement of Profit and Loss.

In case of Novelis segment, CODM reviews its financial performance as those are reported under US GAAP, accordingly Novelis segment revenue is measured as the revenue reported under US GAAP financial reporting. The difference between “Segment Revenue” reported under USGAAP and ‘Revenue’ reported under Ind AS together with any adjustment item identified between US GAAP and Ind AS is shown as “Adjustment on account of different accounting policies for Novelis Segment”.

Sales between operating segments are eliminated on consolidation. Segment Revenue and reconciliation of the same with total revenue as follows:

<table>
<thead>
<tr>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Revenue</td>
<td>Segment Revenue</td>
</tr>
<tr>
<td>Inter-segment Revenue</td>
<td>Inter-segment Revenue</td>
</tr>
<tr>
<td>Revenue from external</td>
<td>Revenue from external</td>
</tr>
<tr>
<td>customers</td>
<td>customers</td>
</tr>
</tbody>
</table>

Novelis: 79,527 - 79,527 86,144 - 86,144
Aluminium: 21,749 48 21,701 23,775 38 23,737
Copper: 18,533 13 18,520 22,198 20 22,178
All Other Segments: 434 47 387 463 46 417
Adjustment on account of different accounting policies for Novelis Segment: (1,991) - (1,991)
Total: 118,252 108 118,144 130,646 104 130,542

During the year ended March 31, 2020, there is one customer having more than 10% of the Group’s total revenue or more than 10% of either of the reportable segments revenue.

Novelis’s ten largest customers accounted for approximately 66% and 65% of Novelis segment’s total “Revenue from operations” for the year ended March 31, 2020 and 2019, respectively, out of which two major customer contributes to 21% (₹ 16,550 Crore) (31/03/2019: 23%, ₹ 14,460 Crore) and 10% (₹ 8,081 Crore) (31/03/2019: 11%, ₹ 6,731 Crore) of the Novelis segment’s total “Revenue from Operations”, respectively.

The Group’s operations are located in India and outside India. The amount of its revenue from external customers analysed by the country in which customers are located irrespective of origin of the goods or services are given below:

<table>
<thead>
<tr>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>Outside India</td>
</tr>
<tr>
<td>28,872</td>
<td>89,272</td>
</tr>
<tr>
<td>118,144</td>
<td>130,542</td>
</tr>
</tbody>
</table>

C. Segment Assets:
For Aluminium segment and Copper segment, segment assets are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. However, certain assets like investments, equity accounted investments, loans, assets classified as held for sale, current and deferred tax assets are not considered to be segment assets as they are managed at corporate level. Further, corporate administrative assets of an entity having operation which are part of more than one reporting segments are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

For Novelis segment, segment assets of are measured at the amount of total assets of Novelis Inc. as reported under US GAAP financial reporting. The difference between ‘Segment Assets’ reported under USGAAP and ‘Total Assets’ reported under Ind AS together with any adjustment items identified between US GAAP and Ind AS is shown as “Adjustment on account of different accounting policies for Novelis Segment”.

In case of All Other segments, Segment assets are measured in the same way as in the financial statements and all the assets are part of this segment as this segments represents the aggregation of subsidiaries which are the separate legal entities and not part of any of above reportable segments.
Segment assets and reconciliation of the same with total assets as follows:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 31.03.2020</td>
</tr>
<tr>
<td>Novelis</td>
<td>82,797</td>
</tr>
<tr>
<td>Aluminium</td>
<td>50,036</td>
</tr>
<tr>
<td>Copper</td>
<td>10,148</td>
</tr>
<tr>
<td>All Other Segments</td>
<td>559</td>
</tr>
<tr>
<td><strong>Total Segment Assets</strong></td>
<td><strong>143,540</strong></td>
</tr>
<tr>
<td>Investment Property</td>
<td>8</td>
</tr>
<tr>
<td>Investments (Non-Current and Current)</td>
<td>9,219</td>
</tr>
<tr>
<td>Equity Accounted Entities</td>
<td>41</td>
</tr>
<tr>
<td>Adjustment on account of different accounting policies for Novelis Segment</td>
<td>12,505</td>
</tr>
<tr>
<td>Other Corporate Assets</td>
<td>4,215</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>169,528</strong></td>
</tr>
</tbody>
</table>

Following amount are either included in the measure of segment assets reviewed by the CODM or are regularly provided to the CODM:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 31.03.2020</td>
</tr>
<tr>
<td>Investment Property</td>
<td>14</td>
</tr>
<tr>
<td>Investments (Non-Current and Current)</td>
<td>151</td>
</tr>
</tbody>
</table>

During the year ended 31/03/2020, capital expenditure relating to Novelis, Aluminium, Copper and All Other Segments are ₹ 4,462 Crore, ₹ 1,987 Crore, ₹ 109 Crore and ₹ 32 Crore, respectively (31/03/2019: ₹ 2,670 Crore, ₹ 1,350 Crore, ₹ 206 Crore and ₹ 61 Crore, respectively).

The total of Non-Current assets excluding goodwill, financial assets, equity accounted investments and deferred tax assets analysed by the country in which assets are located are given below.

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 31.03.2020</td>
</tr>
<tr>
<td>India</td>
<td>44,050</td>
</tr>
<tr>
<td>Outside India - (a)</td>
<td>34,647</td>
</tr>
<tr>
<td></td>
<td><strong>78,697</strong></td>
</tr>
</tbody>
</table>

a) Geographical area-wise break-up of non-current asset located outside India:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 31.03.2020</td>
</tr>
<tr>
<td>United States</td>
<td>15,832</td>
</tr>
<tr>
<td>Asia and Other Pacific</td>
<td>4,230</td>
</tr>
<tr>
<td>Brazil</td>
<td>6,635</td>
</tr>
<tr>
<td>Canada</td>
<td>505</td>
</tr>
<tr>
<td>Germany</td>
<td>2,012</td>
</tr>
<tr>
<td>Other Europe</td>
<td>5,433</td>
</tr>
<tr>
<td></td>
<td><strong>34,647</strong></td>
</tr>
</tbody>
</table>

D. Segment Liabilities:

For Aluminium segment and Copper segment, Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment. In measurement of Aluminium and Copper segment's liabilities, items like borrowings, current and deferred tax liabilities, liabilities associated with assets...
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

classified as held for sale, etc., are not considered to be segment liabilities as they are managed at corporate level. Further, corporate administrative liabilities of an entity having operation which are part of more than one reporting segments are not allocated to individual segments as they also managed at corporate levels and does not linked to any specific segment.

In case of Novelis segment, segment liabilities are measured at the amount of all the liabilities of Novelis Inc., except borrowings, as reported under US GAAP financial reporting. The difference between ‘Segment Liabilities’ reported under US GAAP and ‘Total Liabilities’ reported under Ind AS together with any adjustment items identified between US GAAP and Ind AS is shown as “Adjustment on account of different accounting policies for Novelis Segment”.

In the case of All Other Segments, Segment liabilities are measured in the same way as in the financial statements and all the liabilities except borrowings are part of this segment.

Segment liabilities and reconciliation of the same with total liabilities as follows:

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelis</td>
<td>30,815</td>
<td>28,444</td>
</tr>
<tr>
<td>Aluminium</td>
<td>5,516</td>
<td>5,574</td>
</tr>
<tr>
<td>Copper</td>
<td>2,930</td>
<td>4,394</td>
</tr>
<tr>
<td>All Other Segments</td>
<td>174</td>
<td>201</td>
</tr>
<tr>
<td>Total Segment Liabilities</td>
<td>39,435</td>
<td>38,613</td>
</tr>
<tr>
<td>Adjustment on account of different accounting policies for Novelis Segment</td>
<td>849</td>
<td>621</td>
</tr>
<tr>
<td>Borrowings (Non-Current and Current, including current Maturity)</td>
<td>67,257</td>
<td>52,416</td>
</tr>
<tr>
<td>Other Corporate Liabilities</td>
<td>3,660</td>
<td>3,688</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>111,201</td>
<td>95,338</td>
</tr>
</tbody>
</table>

45. Related party transactions

The Group’s related parties principally consist of its associates, joint ventures, trusts and its key managerial personnel. The Group routinely enters into transactions for sale and purchase of products and rendering and receiving services with these related parties. Transactions and balances between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions and balances between the Group and other related parties, included in the financial statements, are disclosed below.

A. Associates, Joint Ventures and Others:

(a) Transactions

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Associates</td>
<td>Joint Others</td>
</tr>
<tr>
<td>i. Services rendered</td>
<td>-</td>
<td>* 9</td>
</tr>
<tr>
<td>Hydromine Global Minerals GmbH Limited (Consolidated)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Management Corporation Private Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ii. Interest and dividend received</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Science &amp; Technology Company Pvt. Ltd.</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>iii. Purchase of Materials, Capital Equipment and Others</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Renewables Subsidiary Ltd.</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Renewables Utkal Ltd.</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>iv. Services received</td>
<td>Year ended 31.03.2020</td>
<td>Year ended 31.03.2019</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td></td>
<td>Associates</td>
<td>Joint Ventures</td>
</tr>
<tr>
<td>Aditya Birla Science &amp; Technology Company Pvt. Ltd.</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Management Corporation Private Limited</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>v. Investments, Deposits and Loans</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments made during the year</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Hydromine Global Minerals GmbH Limited (Consolidated)</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Aditya Birla Renewables Subsidiary Ltd.</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Renewables Utkal Ltd.</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Deposits and Loans, received back during the year</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Science &amp; Technology Company Pvt. Ltd.</td>
<td>5</td>
<td>-</td>
</tr>
</tbody>
</table>

(b) Outstanding Balances

<table>
<thead>
<tr>
<th>i. Receivables</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit Balances</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hydromine Global Minerals GmbH Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Management Corporation Private Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits and Loans (given)</td>
<td>46</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Science &amp; Technology Company Pvt. Ltd.</td>
<td>46</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ii. Payables</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Balances</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Science &amp; Technology Company Pvt. Ltd.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Renewables Subsidiary Ltd.</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Renewables Utkal Ltd.</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Management Corporation Private Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits and Loans (taken)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Management Corporation Private Limited</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

All outstanding balances are unsecured and are payable in cash.

# The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on cost basis.

* Amount below rounding off convention.

B. Trusts

(a) Contribution to Trusts

Hindalco Employee’s Gratuity Fund, Kolkata ₹ 20 Crore (year ended 31/03/2019 ₹ Nil).
Hindalco Employee’s Gratuity Fund, Renukoot ₹ 46 Crore (year ended 31/03/2019 ₹ 43 Crore).
Hindalco Employee’s Provident Fund Institution, Renukoot ₹ 76 Crore (year ended 31/03/2019 ₹ 72 Crore).
Hindalco Superannuation Scheme, Renukoot ₹ 7 Crore (year ended 31/03/2019 ₹ 7 Crore).
Hindalco Industries Limited Employees’ Provident Fund II ₹ 63 Crore (year ended 31/03/2019 ₹ 58 Crore).
Hindalco Industries Limited Senior Management Staff Pension Fund II ₹ 5 Crore (year ended 31/03/2019 ₹ 5 Crore).

Greener. Stronger. Smarter  313
C. Key Managerial Remuneration

(i) Executive Directors

(a) Mr. Satish Pai - Managing Director
(b) Mr. Praveen Maheshwari - Whole-time Director & Chief Financial Officer

(ii) Non-Executive Directors

(a) Mr. Kumar Mangalam Birla
(b) Smt. Rajashree Birla
(c) Mr. D. Bhattacharya
(d) Mr. A.K. Agarwala
(e) Mr. M.M. Bhagat (Resigned w.e.f. 30th August, 2019)
(f) Mr. K.N. Bhandari
(g) Mr. Y.P. Dandiwala
(f) Mr. Ram Charan
(i) Mr. Girish Dave (Resigned w.e.f. 11th November, 2019)
(j) Ms. Alka Bharucha
(k) Dr. Vikas Balia (w.e.f. 19th July, 2019)
(l) Mr. Sudhir Mital (w.e.f. 11th November, 2019)

<table>
<thead>
<tr>
<th>Remuneration of Executive Directors $ @</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employment benefit</td>
<td>38</td>
<td>33</td>
</tr>
<tr>
<td>Post-employment benefits #</td>
<td>36</td>
<td>31</td>
</tr>
<tr>
<td>Remuneration of Non-Executive Directors</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Pension</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Commission and Sitting Fees</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

$ includes Managing Director and CFO (Whole-time Director)
@ Excludes amortisation of fair value of employee share-based payments under Ind AS 102.
# As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

46. Employee Share-Based Payments

The Group has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Group as well as to motivate them to contribute to its growth and profitability. The Group views employee stock options as instruments that would enable the employees to share the value they create for the Group in the years to come. At present two employee share-based payment schemes are in operation at Hindalco Industries Limited, the Parent, whereas three employee share-based payment schemes are in operation at Novelis Inc., a subsidiary of the Group. Details of these employee share-based schemes are given below:

A. Employee share-based payments at Parent

Employee Stock Option Scheme 2006 (“ESOS 2006”):
The shareholders of the Company has approved on 23/01/2007 an Employee Stock Option Scheme 2006 (“ESOS 2006”) under which the Company may grant 3,475,000 stock options to its permanent employees in the
management cadre, whether working in India or out of India, including Managing and the Whole-time Directors of the Company, in one or more tranches. The ESOS 2006 is administered by the Nomination and Remmuneration Committee of the Board of Directors of the Company (“the Committee”). Each stock option when exercised would be converted into one fully paid-up equity share of ₹ 1/- each of the Company. The stock options will vest in 4 equal annual instalments after completion of one year of service from the date of grant. The exercise price shall be average price of the equity shares of the Company in the immediate preceding seven-day period on the date prior to the date on which the ESOS compensation committee finalises the specific numbers of Options to be granted to the employees discounted by such percentage not exceeding 30% (thirty per cent) to be determined by ESOS Compensation Committee in the best interest of the various stake holders in the prevailing market conditions. The maximum period of exercise is 5 years from the date of vesting and these stock options do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options are also available for grant. Further, on 23/09/2011 the ESOS 2006 has been partially modified and by which the Company may grant 6,475,000 stock options to its eligible employees.

Under the ESOS 2006, till 31/03/2020 the Committee has granted 4,328,159 stock options (31/03/2019: 4,328,159 stock options) to its eligible employees out of which 1,819,941 stock options (31/03/2019: 1,819,941 stock options) has been forfeited/ expired and are available for grant as per term of the Scheme. A summary of movement of the stock options and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number</strong></td>
<td><strong>WAEP (₹)</strong></td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>816,371</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(359,415)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>456,956</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>456,956</td>
</tr>
</tbody>
</table>

Under ESOS 2006, as at 31/03/2020 the range of exercise prices for stock options outstanding was ₹ 118.35 to ₹ 118.73 whereas the weighted average remaining contractual life for the stock options outstanding was 1.81 years (31/03/2019: 1.96 years).

**Employee Stock Option Scheme 2013 (“ESOS 2013”):**

On 10/09/2013, the shareholders of the Company has approved another Employee Stock Option Scheme 2013 (“ESOS 2013”), under which the Company may grant up to 5,462,000 Options (comprising of Stock Options and/ or Restricted Stock Units (RSU)) to the permanent employees in the management cadre and Managing and Whole-time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Nomination and Remmuneration Committee of the Board of Directors of the Company (“the Committee”). The stock options exercise price would be determined by the Committee whereas the RSUs exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/ RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options and RSUs are also available for grant.

In terms of ESOS 2013, till 31/03/2020 the Committee has granted 2,250,754 stock options and 2,252,254 RSUs (31/03/2019: 2,250,754 stock options and 2,252,254 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 216,409 stock options and 193,287 RSUs (31/03/2019: 231,224 stock options and 248,954 RSUs) has been forfeited/ expired and are available for grant as per term of the Scheme. A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:
Under ESOS 2013, the range of exercise prices for stock options outstanding as at 31/03/2020 was ₹ 73.60 to ₹ 167.15 (31/03/2019: ₹ 73.60 to ₹ 167.15) whereas exercise price in case of RSUs was ₹ 1 (31/03/2019: ₹ 1). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2020 was 2.30 years and 2.57 years, respectively (31/03/2019: 2.78 years and 3.69 years, respectively).

Employee Stock Option Scheme 2018 (“ESOS 2018”):
The shareholders of the Company has approved on 21/09/2018 an Employee Stock Option Scheme 2018 (“ESOS 2018”), formulated by the Company, under which the Company may grant not more than 13,957,302 (Stock Options and Restricted Stock Units) to its permanent employees of the Company in management cadre including Managing and the Whole-time Director of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company (“the Committee”) and the Hindalco Employees Welfare Trust (“Trust”). The Stock options exercise price would be determined by the Committee whereas the RSU exercise price shall be the face value of the equity shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up equity share of ₹ 1/- each of the Company upon payment of exercise price during the exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options and RSUs are also available for grant.

In terms of ESOS 2018, till 31/03/2020 the Committee has granted 4,607,279 stock options and 1,348,492 RSUs (31/03/2019: 4,299,563 stock options and 1,276,137 RSUs) to the eligible employees of the Company and some of its subsidiary companies. A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

Under ESOS 2018, the range of exercise prices for stock options outstanding as at 31/03/2020 was ₹ 159.30 to ₹ 218.80 (31/03/2019: ₹ 205.45 to ₹ 218.80) whereas exercise price in case of RSUs was ₹ 1 (31/03/2019: ₹ 1). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2020 was 6.26 years and 6.81 years (31/03/2019: 7.20 years and 7.76 years, respectively).

The fair values at grant date of stock options granted during the year ended 31/03/2020 was ₹ 53.05 to ₹ 97.09 (31/03/2019: ₹ 83.28 to ₹ 115.23) and fair values in case of RSUs was ₹ 150.68 to ₹ 205.48 (31/03/2019: ₹ 198.57 to ₹ 208.86), respectively. The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the
expected volatility, expected dividends and the risk free rate of interest. The assumptions used for fair valuation of awards are given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tranche III</td>
<td>Tranche IV</td>
</tr>
<tr>
<td>Grant date</td>
<td>27/12/2019</td>
<td>04/03/2020</td>
</tr>
<tr>
<td>Exercise price (₹)</td>
<td>215.00</td>
<td>159.30</td>
</tr>
<tr>
<td>Expected terms of options</td>
<td>4.43-7.43 yrs.</td>
<td>4.43-7.43 yrs.</td>
</tr>
<tr>
<td>granted (years)</td>
<td>8 yrs.</td>
<td>8 yrs.</td>
</tr>
<tr>
<td>Share price on grant date (₹)</td>
<td>215.45</td>
<td>160.60</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>27.95%</td>
<td>30.73%</td>
</tr>
<tr>
<td>Expected dividend (%)</td>
<td>0.56%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Risk free interest rate (%)</td>
<td>6.44%-6.84%</td>
<td>6.84%-6.39%</td>
</tr>
</tbody>
</table>

The expected dividend is based on last year data and is not necessarily indicative. The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted which is indicative of future periods and which may not necessarily be the actual outcome.

**Stock Appreciation Rights 2013 (‘SAR 2013’):**

The Company had granted 956,522 Share Appreciation Rights 2013 (‘SAR 2013’) to its eligible employee to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant (i.e. 09/10/2013). The SAR 2013 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company (‘the Committee’). The SAR 2013 have performance linked vesting conditions which are decided by the Committee and are cash settled. The options shall lapse in case of performance linked vesting conditions are not met. The Exercise price of the SAR is ₹ 118.73. The SAR 2013 can be exercised within 3 years from the date of vesting or within 6 years from the date of grant, whichever is earlier.

A Summary of movement of SAR 2013 and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>WAEP (₹)</td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>478,261</td>
<td>118.73</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Re-instated during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(478,261)</td>
<td>118.73</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The fair value as at 31/03/2019 was ₹ 90.15. The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest. The assumptions used for fair valuation are given below:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant date</td>
<td>09/10/2013</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>31/03/2013</td>
</tr>
<tr>
<td>Exercise price (₹)</td>
<td>118.73</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>36.88%</td>
</tr>
<tr>
<td>Expected dividend (%)</td>
<td>0.58%</td>
</tr>
<tr>
<td>Risk free interest rate (%)</td>
<td>6.17%</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for the SAR 2013 as at 31/03/2019 was 0.53 years.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Stock Appreciation Rights 2018 (‘SAR 2018’):  
The Company had granted 44,668 Option SAR and 11,333 RSU SAR under the Share Appreciation Rights Scheme 2018 (“SAR 2018”) to its eligible employees. Option SAR to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant and RSU SAR will vest upon completion of three years of services from the date of grant. The SAR 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company (“the Committee”). The SAR 2018 have performance linked vesting conditions which are decided by the committee and are cash settled. The options shall lapse in case of performance linked vesting conditions are not met. The Exercise price of the Option SAR is ₹ 218.80 and RSU SAR is ₹ 1.

A Summary of movement of SAR 2018 and weighted average exercise price (WAEP) is given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Option SAR</td>
</tr>
<tr>
<td></td>
<td>Number</td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>-</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>44,668</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>-</td>
</tr>
<tr>
<td>Re-instated during the year</td>
<td>-</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>-</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>44,668</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>11,167</td>
</tr>
</tbody>
</table>

The fair values per Option SAR as at 31/03/2020 was ₹ 6.62 to ₹ 19.87 and for RSU SAR as at 31/03/2020 was ₹ 89.14 to ₹ 89.46. The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest. The assumptions used for fair valuation are given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant date</td>
<td>09/08/2019</td>
</tr>
<tr>
<td>Valuation Date</td>
<td>31/03/2020</td>
</tr>
<tr>
<td>Exercise price (₹ )</td>
<td>218.80</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>41.65%</td>
</tr>
<tr>
<td>Expected dividend (%)</td>
<td>1.25%</td>
</tr>
<tr>
<td>Risk free interest rate (%)</td>
<td>5.29% - 6.09%</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for the Option SAR as at 31/03/2020 is 2.70 to 5.70 years and RSU SAR as at 31/03/2020 is 4.70 to 4.99 years.

The total intrinsic value at the end of the year of the vested Option SAR and RSU SAR is ₹ Nil (31/03/2019 ₹ 4 Crore).

B. Employee share-based payments schemes at Novelis Inc. (“Novelis”), a subsidiary of the Group:

The Novelis’s Board of Directors has authorized long term incentive plans (LTIPs), under which Hindalco stock appreciation rights (Hindalco SARs), Novelis stock appreciation rights (Novelis SARs), phantom restricted stock units (Phantom RSUs), and Novelis Performance Units (Novelis PUs) are granted to certain executive officers and key employees.

The Hindalco and Novelis SARs vest at the rate of 25% or 33% per quarter, subject to the achievement of an annual performance target, and expire seven years from their original grant date. The performance criterion for vesting of the Hindalco and Novelis SARs is based on the actual overall Novelis operating EBITDA compared to the target established and approved each fiscal year. The minimum threshold for vesting each year is 75% of each annual target operating EBITDA. Each Hindalco SAR is to be settled in cash based on the difference between the market value of one Hindalco share on the date of grant and the market value on the date of exercise. Each Novelis SAR is to be settled
in cash based on the difference between the fair value of one Novelis phantom share on the original date of grant and the fair value of a phantom share on the date of exercise. The amount of cash paid to settle Hindalco and Novelis SARs are limited to two and a half or three times the target payout, depending on the plan year. The Hindalco and Novelis SARs do not transfer any shareholder rights of Hindalco or Novelis to a participant. The Hindalco and Novelis SARs are classified as liability awards and are re-measured at each reporting period until the SARs are settled or cancelled. Novelis expenses each fiscal year's SAR tranche(s) over the employee requisite service period, which results in the expense being recorded on an accelerated basis.

The Phantom RSUs are based on Hindalco's stock price. The Phantom RSUs vest either in full three years from the grant date or 33% per year over three years, subject to continued employment with Novelis, but are not subject to performance criteria. Each Phantom RSU is to be settled in cash equal to the market value of one Hindalco share. The payout on the Phantom RSUs is limited to three times the market value of one Hindalco share measured on the original date of grant. The Phantom RSUs are classified as liability awards and expensed over the employee requisite service period based on the Hindalco stock price as of each balance sheet date.

In May 2016, the Novelis's board of directors approved the issuance of Novelis PUs which have a fixed USD 100 value per unit and will vest in full three years from the grant date, subject to specific performance criteria compared to the established target. The Novelis PUs awards are not based on the Hindalco or Novelis stock prices and therefore are accounted for in accordance with Ind AS 19 - Employee Benefits.

(a) Hindalco Stock Appreciation Rights (Hindalco SARs)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number WAEP (rs)</td>
<td>Number WAEP (rs)</td>
<td></td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>10,643,730</td>
<td>11,197,974</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>3,475,995</td>
<td>2,359,347</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>(176,537)</td>
<td>(185,640)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(1,501,222)</td>
<td>(2,727,951)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>12,441,966</td>
<td>10,643,730</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>6,742,807</td>
<td>4,244,193</td>
</tr>
</tbody>
</table>

(b) Novelis Stock Appreciation Rights (Novelis SARs)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number WAEP (rs)</td>
<td>Number WAEP (rs)</td>
<td></td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>73,948</td>
<td>92,225</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>(7,838)</td>
<td>(12,819)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(32,717)</td>
<td>(5,458)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>33,393</td>
<td>73,948</td>
</tr>
<tr>
<td>Vested and Exercisable at year end</td>
<td>33,393</td>
<td>67,674</td>
</tr>
</tbody>
</table>

(c) Phantom Restricted Stock Units (Phantom RSUs)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number WAEP (rs)</td>
<td>Number WAEP (rs)</td>
<td></td>
</tr>
<tr>
<td>Outstanding at beginning of the year</td>
<td>5,306,623</td>
<td>7,114,057</td>
</tr>
<tr>
<td>Granted during the year</td>
<td>2,685,744</td>
<td>2,273,078</td>
</tr>
<tr>
<td>Forfeited during the year</td>
<td>(175,752)</td>
<td>(70,067)</td>
</tr>
<tr>
<td>Exercised during the year</td>
<td>(3,069,299)</td>
<td>(4,010,445)</td>
</tr>
<tr>
<td>Expired during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outstanding at year end</td>
<td>4,747,316</td>
<td>5,306,623</td>
</tr>
</tbody>
</table>
(d) Particulars of share-based payment

i. Carrying amount and intrinsic value of liabilities given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total carrying amount</td>
<td>Total intrinsic value</td>
</tr>
<tr>
<td></td>
<td>at the end of the</td>
<td>at the end of the</td>
</tr>
<tr>
<td></td>
<td>period for liabilities</td>
<td>period for liabilities</td>
</tr>
<tr>
<td></td>
<td>(vested portion)</td>
<td>(vested portion)</td>
</tr>
<tr>
<td>Hindalco SAR</td>
<td>16.11</td>
<td>0.35</td>
</tr>
<tr>
<td></td>
<td>74.44</td>
<td>56.87</td>
</tr>
<tr>
<td>Novelis SAR</td>
<td>7.00</td>
<td>7.31</td>
</tr>
<tr>
<td></td>
<td>3.51</td>
<td>3.11</td>
</tr>
<tr>
<td>Phantom RSU</td>
<td>34.70</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>83.41</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>57.81</strong></td>
<td><strong>7.66</strong></td>
</tr>
<tr>
<td></td>
<td><strong>161.36</strong></td>
<td><strong>59.98</strong></td>
</tr>
</tbody>
</table>

ii. Number of options exercised and the weighted average exercise price given below:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of options</td>
<td>Weighted average</td>
</tr>
<tr>
<td></td>
<td>exercised</td>
<td>exercise price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hindalco SAR</td>
<td>1,501,222</td>
<td>119.36</td>
</tr>
<tr>
<td></td>
<td>2,727,951</td>
<td>123.80</td>
</tr>
<tr>
<td>Novelis SAR</td>
<td>32,717</td>
<td>5,946.30</td>
</tr>
<tr>
<td></td>
<td>5,458</td>
<td>4,928.59</td>
</tr>
<tr>
<td>Phantom RSU</td>
<td>3,069,299</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>4,010,445</td>
<td>-</td>
</tr>
</tbody>
</table>

(e) Unrecognised compensation expense

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>₹ in Crore</td>
<td>Period over which</td>
</tr>
<tr>
<td></td>
<td></td>
<td>expense will be</td>
</tr>
<tr>
<td></td>
<td></td>
<td>recognised (in years)</td>
</tr>
<tr>
<td>Hindalco SAR</td>
<td>3</td>
<td>1.46</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>1.33</td>
</tr>
<tr>
<td>Novelis SAR</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Phantom RSU</td>
<td>15</td>
<td>1.41</td>
</tr>
<tr>
<td></td>
<td>29</td>
<td>1.36</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(f) Inputs to the model used to determine fair value are as under:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hindalco SAR</td>
<td>Novelis SAR</td>
</tr>
<tr>
<td>Risk free interest rate (%)</td>
<td>4.73% - 6.89%</td>
<td>0.00% - 0.35%</td>
</tr>
<tr>
<td>Dividend yield (%)</td>
<td>1.27%</td>
<td>-</td>
</tr>
<tr>
<td>Volatility (%)</td>
<td>36.33% - 84.50%</td>
<td>24.0% - 40.0%</td>
</tr>
<tr>
<td>Source of historical volatility</td>
<td>Hindalco historical volatility</td>
<td>Comparable companies</td>
</tr>
<tr>
<td>Model used</td>
<td>Monte Carlo Simulation Model</td>
<td>Monte Carlo Simulation Model</td>
</tr>
</tbody>
</table>

The weighted average remaining contractual life for the Hindalco SAR as at 31/03/2020 is 3 years and Novelis SAR as at 31/03/2020 is 1 year.

C. Effect of employee share-based payment transactions on profit or loss for the year and on financial position:

For the year ended 31/03/2020, the Group recognised expenses of ₹ 28 Crore (31/03/2019: ₹ 10 Crore) related to equity-settled share based transactions, whereas ₹ 7 Crore as income (31/03/2019: expense ₹ 135 Crore) towards cash-settled share based transactions accounted for as part of Employee Benefits Expenses. (refer Note 34)

During the year ended 31/03/2020, the Company has allotted 692,442 fully paid-up equity share of ₹ 1/- each of the Company (31/03/2019: 567,343) on exercise of equity settled options for which the Group has realised ₹ 7 Crore (31/03/2019: ₹ 5 Crore) as exercise prices. The weighted average share price at the date of exercise of ESOS 2006 was ₹ 179.07 per share (31/03/2018: ₹ 234.44 per share) and ESOS 2013 was ₹ 189.67 per share (31/03/2019: ₹ 221.40) per share.
47. Employee Benefit Obligations

A. Defined Benefit Plans

Defined benefit plans expose the Group to actuarial risks such as Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefit obligation will tend to increase.

ii. Salary Risk: Higher than expected increases in salary will increase the defined benefit obligation.

iii. Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(I) Gratuity Plans

The Group has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972.

<table>
<thead>
<tr>
<th>(a) Change in Defined Benefit Obligation (DBO)</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Benefit Obligation at beginning of the year</td>
<td>972</td>
</tr>
<tr>
<td>Current Service cost</td>
<td>52</td>
</tr>
<tr>
<td>Interest Cost on the DBO</td>
<td>72</td>
</tr>
<tr>
<td>Actuarial (gain)/ loss experience</td>
<td>29</td>
</tr>
<tr>
<td>Actuarial (gain)/ loss financial assumption</td>
<td>44</td>
</tr>
<tr>
<td>Benefits paid directly by Company</td>
<td>(34)</td>
</tr>
<tr>
<td>Benefits paid from plan assets</td>
<td>(28)</td>
</tr>
<tr>
<td>Defined Benefit Obligation at the end of the year</td>
<td>1,107</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(b) Change in Fair Value of Plan Assets</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of assets at the beginning of the year</td>
<td>794</td>
</tr>
<tr>
<td>Interest Income on plan assets</td>
<td>61</td>
</tr>
<tr>
<td>Employer’s contributions</td>
<td>66</td>
</tr>
<tr>
<td>Return on plan assets greater/(lesser) than discount rate</td>
<td>1</td>
</tr>
<tr>
<td>Benefits Paid</td>
<td>(28)</td>
</tr>
<tr>
<td>Fair value of assets at the end of the year</td>
<td>894</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(c) Development of Net Balance Sheet Position</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Benefit Obligation, Funded</td>
<td>(1,107)</td>
</tr>
<tr>
<td>Fair Value of Plan Assets</td>
<td>894</td>
</tr>
<tr>
<td>Defined Benefit Obligation, Unfunded</td>
<td>(213)</td>
</tr>
<tr>
<td>Net defined benefit asset/(liability)</td>
<td>(213)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(d) Reconciliation of Net Balance Sheet Position</th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Defined benefit asset/(Liability) at beginning of the year</td>
<td>(175)</td>
</tr>
<tr>
<td>Service cost</td>
<td>(52)</td>
</tr>
<tr>
<td>Net Interest on net defined benefit liability/(asset)</td>
<td>(11)</td>
</tr>
<tr>
<td>Amount recognised in OCI</td>
<td>(72)</td>
</tr>
<tr>
<td>Employer’s contributions</td>
<td>66</td>
</tr>
<tr>
<td>Benefit paid directly by Company</td>
<td>34</td>
</tr>
<tr>
<td>Net Defined benefit asset/(Liability) at the end of the year</td>
<td>(213)</td>
</tr>
</tbody>
</table>
## Expense recognised during the year

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Service cost</td>
<td>52</td>
<td>58</td>
</tr>
<tr>
<td>Net Interest on net defined benefit liability/(asset)</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Net Gratuity Cost</td>
<td>63</td>
<td>69</td>
</tr>
</tbody>
</table>

## Other Comprehensive Income(OCI)

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial (gain)/loss due to DBO experience</td>
<td>29</td>
<td>(6)</td>
</tr>
<tr>
<td>Actuarial (gain)/loss due to DBO assumption changes</td>
<td>44</td>
<td>-</td>
</tr>
<tr>
<td>Actuarial (gain)/loss arising during the period</td>
<td>73</td>
<td>(6)</td>
</tr>
<tr>
<td>Return on Plan Assets (greater)/lesser than discount rate</td>
<td>(1)</td>
<td>9</td>
</tr>
<tr>
<td>Actuarial (gain)/loss recognised in OCI</td>
<td>72</td>
<td>3</td>
</tr>
</tbody>
</table>

## Defined Benefit Cost

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Cost</td>
<td>52</td>
<td>58</td>
</tr>
<tr>
<td>Net Interest on net defined benefit liability/(asset)</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Actuarial (gain)/loss recognised in OCI</td>
<td>72</td>
<td>3</td>
</tr>
<tr>
<td>Defined Benefit Cost</td>
<td>135</td>
<td>72</td>
</tr>
</tbody>
</table>

## Principal Actuarial Assumptions

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)</td>
<td>6.50%</td>
<td>7.50%</td>
</tr>
<tr>
<td>Salary escalation rate</td>
<td>7.50%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Weighted average duration of the defined benefit obligation</td>
<td>9 Years</td>
<td>9 Years</td>
</tr>
<tr>
<td>Mortality Rate (Indian Assured Lives Mortality 2006-08)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Non-Current and Current portion of Defined Benefit Obligation

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portion</td>
<td>-</td>
<td>(5)</td>
</tr>
<tr>
<td>Non-Current portion</td>
<td>(213)</td>
<td>(173)</td>
</tr>
<tr>
<td></td>
<td>(213)</td>
<td>(178)</td>
</tr>
</tbody>
</table>

## Sensitivity Analyses

Sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.
(k) Methodology for defined benefit obligation:
The Projected Unit Credit (PUC) actuarial method has been used to assess the plan’s liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan’s accrual formula and upon service as of the beginning or end of the year, but using a member’s final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

(l) The Expected Maturity Analysis of Undiscounted Gratuity is as follows:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>61</td>
<td>57</td>
</tr>
<tr>
<td>From 1 year to 2 years</td>
<td>87</td>
<td>56</td>
</tr>
<tr>
<td>From 2 years to 3 years</td>
<td>92</td>
<td>76</td>
</tr>
<tr>
<td>From 3 years to 4 years</td>
<td>101</td>
<td>77</td>
</tr>
<tr>
<td>From 4 years to 5 years</td>
<td>99</td>
<td>76</td>
</tr>
<tr>
<td>From 5 years to 10 years</td>
<td>589</td>
<td>398</td>
</tr>
</tbody>
</table>

(m) Plan Assets Information

<table>
<thead>
<tr>
<th>Major category</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Bank Balances</td>
<td>1.81%</td>
<td>1.99%</td>
</tr>
<tr>
<td>Scheme of insurance - conventional product</td>
<td>1.37%</td>
<td>1.43%</td>
</tr>
<tr>
<td>Scheme of insurance - ULIP Product</td>
<td>96.82%</td>
<td>96.58%</td>
</tr>
<tr>
<td></td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Above Investment in Plan Assets are unquoted.

(n) Expected Contributions to post-employment benefit plan of Gratuity for the year ended March 31, 2021 are ₹ 67 Crore.

(II) Pension and Post-Employment Medical Benefits of Novelis Inc., the Group’s overseas subsidiary

Obligations related to the Group’s overseas operations, relate to: (1) funded defined benefit pension plans in the U.S., Canada, Switzerland, and the U.K.; (2) unfunded defined benefit pension plans in Germany; (3) unfunded lump sum indemnities payable upon retirement to employees in France, Malaysia and Italy; and (4) partially funded lump sum indemnities in South Korea. These defined benefit plans provide a benefit to eligible employees based on plan provisions, including but not limited to, years of service, compensation, or other vesting criteria. Each of the funded pension plans is governed by an Investment Fiduciary. Other post-retirement obligations include unfunded health care and life insurance benefits provided to eligible retired employees in the U.S., Canada, and Brazil.
### a. Benefits Paid

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits Paid</td>
<td>(639)</td>
<td>(532)</td>
</tr>
</tbody>
</table>

### b. Change in plan Assets (Reconciliation of opening and closing Balance)

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value of plan Assets at the beginning of the year</td>
<td>8,336</td>
<td>7,957</td>
</tr>
<tr>
<td>Exchange gain/ (loss) on translation</td>
<td>581</td>
<td>259</td>
</tr>
<tr>
<td>Plan Settlements</td>
<td>(72)</td>
<td>(3)</td>
</tr>
<tr>
<td>Re-measurements</td>
<td>(23)</td>
<td>3</td>
</tr>
<tr>
<td>Interest Income</td>
<td>256</td>
<td>260</td>
</tr>
<tr>
<td>Employers’ Contributions</td>
<td>556</td>
<td>361</td>
</tr>
<tr>
<td>Plan participants contribution</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>Benefits Paid</td>
<td>(639)</td>
<td>(532)</td>
</tr>
<tr>
<td>Fair value of assets at the end of the year</td>
<td>9,028</td>
<td>8,336</td>
</tr>
</tbody>
</table>

### c. Reconciliation of fair value of assets & obligations

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of defined benefit obligations at the end of the year</td>
<td>16,211</td>
<td>14,493</td>
</tr>
<tr>
<td>Fair Value of Plan assets at the end of the year</td>
<td>9,028</td>
<td>8,336</td>
</tr>
<tr>
<td>Amount recognized in the consolidated balance sheet</td>
<td>7,183</td>
<td>6,157</td>
</tr>
<tr>
<td>Recognized prepaid pension</td>
<td>138</td>
<td>29</td>
</tr>
<tr>
<td>Recognized pension liability</td>
<td>7,321</td>
<td>6,186</td>
</tr>
</tbody>
</table>

### d. Expenses recognized during the year

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>394</td>
<td>383</td>
</tr>
<tr>
<td>Past service cost/ Curtailment costs/(gain)</td>
<td>(19)</td>
<td>19</td>
</tr>
<tr>
<td>Interest cost (net)</td>
<td>161</td>
<td>167</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>536</strong></td>
<td><strong>569</strong></td>
</tr>
</tbody>
</table>

**Details of special events during the year:**

**Novelis Europe**

Novelis Switzerland: Following the court ruling in September 2019, settlement accounting was triggered for the Pension Kasse Sierre plan with respect to the Alcan pensioners, Present value of defined benefit obligation being settled was ₹ 91.2 Crore ($12.9 Million) as compared to actual settlement liability of ₹ 72.34 Crore ($10.2 Million) resulting in a settlement gain of ₹ 18.86 Crore ($2.7 Million).

Novelis Italy: The lump sum distributions of ₹ 4.36 Crore ($0.6 Million) exceeded the threshold of service cost and interest cost. The settlement distributions resulted in accelerated loss recognition of ₹ 0.78 Crore ($0.1 Million) in pension expense.

### e. Remeasurement of net defined benefit liability/(asset) (OCI)

<table>
<thead>
<tr>
<th>Description</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial (gains)/ losses arising from changes in demographic assumptions</td>
<td>(86)</td>
<td>37</td>
</tr>
<tr>
<td>Actuarial (gains)/ losses arising from changes in financial assumptions</td>
<td>694</td>
<td>283</td>
</tr>
<tr>
<td>Actuarial (gains)/ losses arising from changes in experience adjustments</td>
<td>(64)</td>
<td>(72)</td>
</tr>
<tr>
<td>Remeasurement of net defined benefit liability</td>
<td>544</td>
<td>248</td>
</tr>
<tr>
<td>Remeasurement return on plan assets excluding amount included in interest income</td>
<td>24</td>
<td>(3)</td>
</tr>
<tr>
<td>Exchange Gain/ (Loss)</td>
<td>(70)</td>
<td>(87)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>498</strong></td>
<td><strong>158</strong></td>
</tr>
</tbody>
</table>
f. Composition of Plan Assets

<table>
<thead>
<tr>
<th>Component</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>3,100</td>
<td>2,591</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>4,597</td>
<td>4,314</td>
</tr>
<tr>
<td>Real Estate</td>
<td>215</td>
<td>190</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>98</td>
<td>86</td>
</tr>
<tr>
<td>Other</td>
<td>1,018</td>
<td>1,155</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,028</strong></td>
<td><strong>8,336</strong></td>
</tr>
</tbody>
</table>

g. Sensitivity analysis for each significant actuarial assumption

<table>
<thead>
<tr>
<th>Assumption</th>
<th>31.03.2020</th>
<th>31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount Rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 1 percentage</td>
<td>2,218</td>
<td>2,106</td>
</tr>
<tr>
<td>Decrease of 1 percentage</td>
<td>(2,716)</td>
<td>(2,205)</td>
</tr>
<tr>
<td><strong>Salary Growth Rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 1 percentage</td>
<td>(473)</td>
<td>(479)</td>
</tr>
<tr>
<td>Decrease of 1 percentage</td>
<td>448</td>
<td>456</td>
</tr>
<tr>
<td><strong>Expected future lifetimes (in years) for employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants assumed to have the mortality rates of individuals who are one year older</td>
<td>(463)</td>
<td>(387)</td>
</tr>
<tr>
<td>Participants assumed to have the mortality rates of individuals who are one year younger</td>
<td>464</td>
<td>385</td>
</tr>
<tr>
<td><strong>Medical cost trend rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 1 percentage</td>
<td>-</td>
<td>(94)</td>
</tr>
<tr>
<td>Decrease of 1 percentage</td>
<td>-</td>
<td>102</td>
</tr>
</tbody>
</table>

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

h. The principal actuarial assumptions at the reporting dates (expressed as weighted averages) for defined benefit plans

<table>
<thead>
<tr>
<th>Assumption</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>0.89% - 3.43%</td>
<td>1.24% - 3.80%</td>
</tr>
<tr>
<td>Salary growth Rate</td>
<td>2.53% - 4.00%</td>
<td>2.59% - 4.00%</td>
</tr>
<tr>
<td>Expected future lifetimes (in years) for employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensioners</td>
<td>16.94</td>
<td>17.55</td>
</tr>
<tr>
<td>Current employees</td>
<td>7.52 - 11.53</td>
<td>7.81 - 12.00</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

i. The principal actuarial assumptions at the reporting dates (expressed as weighted averages) for post-employment medical benefits

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term increase in health costs</td>
<td>2.50% - 4.84%</td>
<td>2.31% - 5.04%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>2.20% - 8.30%</td>
<td>2.30% - 8.50%</td>
</tr>
</tbody>
</table>

j. Weighted average duration of the defined benefit obligation in years

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted average duration of the defined benefit obligation in years</td>
<td>9 - 15.20 yrs.</td>
<td>9 - 17.45 yrs.</td>
</tr>
</tbody>
</table>

k. Expected maturity analysis of undiscounted defined benefit plan and post-employment medical benefit plans

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Within 1 year</td>
<td>Between 1-2 years</td>
</tr>
<tr>
<td>Defined benefit plan</td>
<td>588</td>
<td>1,278</td>
</tr>
<tr>
<td></td>
<td>Within 1 year</td>
<td>Between 1-2 years</td>
</tr>
<tr>
<td>Post-employment medical benefit plant</td>
<td>36</td>
<td>77</td>
</tr>
</tbody>
</table>

l. Expected contributions to the defined benefit plans for the year ended March 31, 2021 are ₹ 496 Crore.

B. Other Defined Benefit and contribution Plans

(a) Pension
The Group contributes a certain percentage of salary for all eligible employees in India in the managerial cadre towards Superannuation Funds with option to put certain portion in National Pension Scheme (NPS) and/or in funds managed by approved trusts of by Life Insurance Corporation of India. Junior Pension Plan provided to certain employees is in the nature of defined benefit plan which provides an annuity in the form of pension amount at retirement. The amount charged to the Consolidated Statement of Profit and Loss during the year is ₹ 61 Crore (previous year ₹ 23 Crore) and amount of actuarial gain/ (loss) recognised in Other Comprehensive Income during the year is ₹ 6 Crore (previous year ₹ (* Crore)).

(b) Post-Retirement Medical Benefit
The Group provides post-retirement medical benefit to its certain employees in India. The scheme involves reimbursement of expenses towards medical treatment of self and dependents. The amount charged to the Profit and Loss during the year is ₹ * Crore (previous year ₹ * Crore) and amount of actuarial gain/ (loss) recognised in Other Comprehensive Income during the year is ₹ 4 Crore (previous year ₹ 1 Crore).

(c) Leave Obligation
The leave obligation cover the Group’s liability for earned leave. The entire amount of the provision of ₹ 452 Crore (year ended 31/03/2019 ₹ 408 Crore) is presented as current, since the Group does not have an unconditional right to defer settlement for these obligations.

(d) Provident Fund
The Company and certain Indian subsidiaries in the Group contributes 12% of salary for all eligible employees in India towards Provident Fund managed either by approved trusts or by the Central Government of India which is debited to the Consolidated Statement of Profit and Loss. In respect of provident fund management by the approved trust, these entities have an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The Company and certain subsidiaries in India also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines.
The amount debited to the Consolidated Statement of Profit and Loss during the year was ₹ 100 Crore (previous year ₹ 97 Crore).

Based on actuarial valuation considering this to be in the nature of a defined benefit plan, the Group has recognised obligation of ₹ 8 Crore as at March 31, 2020 (previous year ₹ 9 Crore) towards shortfall on the yield of the trust’s investments over the administered interest rates. Amount of actuarial (gain)/loss recognised in Other Comprehensive Income during the year is ₹ (2) Crore (previous year ₹ * Crore).

(e) Certain investments made by Company’s Provident Fund Trust (‘AAA’ rated when the investment was done) became impaired during the year. The Trust has recorded the loss in its books for the year ended March 31, 2020. The Company is obligated to make good such losses to the trust and as such has compensated the trust by ₹ 73 Crore. The amount has been accounted for in Other Comprehensive Income.

Assumption use in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>6.50%</td>
<td>7.50%</td>
</tr>
<tr>
<td>Expected EPFO (Employees’ Provident Fund Organisation) Return</td>
<td>8.50%</td>
<td>8.65%</td>
</tr>
</tbody>
</table>

The Group also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines.

* Amount below rounding off convention.

48. Contingent Liabilities and Commitments

A. Contingent Liabilities

The Group are party to, and may in the future be involved in, or subject to, disputes, claims and proceedings arising in the ordinary course of our business, including some we assert against others, such as environmental, health and safety, product liability, employee, tax, personal injury and other matters. The Group has established a liability with respect to contingencies for which a loss is probable and estimable. While the ultimate resolution of and liability and costs related to these matters cannot be determined with certainty, the Management does not believe any of these pending actions, individually or in the aggregate, will materially impact our operations or materially affect our financial condition or liquidity.

The Group’s estimates involve significant judgment, and therefore, the estimate will change from time to time and actual losses may differ from the current estimate. Management review the status of, and estimated liability related to, pending claims and civil actions on a quarterly basis. The evaluation model includes all asserted and unasserted claims that can be reasonably identified including claims relating to our responsibility for compliance with environmental, health and safety laws and regulations in the jurisdictions in which we operate or formerly operated. The estimated costs in respect of such reported liabilities are not offset by amounts related to insurance or indemnification arrangements unless otherwise noted.

The amount for which the Group is contingently liable are given below:

(a) Claims against the Group not acknowledged as debt

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 31.03.2020</td>
</tr>
<tr>
<td>Tax matters - Direct Taxes - (i)</td>
<td>12</td>
</tr>
<tr>
<td>Tax matters - Indirect Taxes - (ii)</td>
<td>685</td>
</tr>
<tr>
<td>Legal and Other matters - (iii)</td>
<td>261</td>
</tr>
</tbody>
</table>
(i) Tax matters - Direct Taxes:
The Group has ongoing disputes with direct tax authorities in various tax jurisdictions relating to tax treatment of certain items in the Company and some of its subsidiaries. These mainly include claims disallowed, tax treatment of certain items of income/expense, use of certain tax incentives or allowances, etc. in their tax computation.

(ii) Tax matters - Indirect Taxes:
There are pending litigations for various matters relating to customs, excise duty and service tax, VAT across various entities in the Group involving demands, including interest and penalties.

(iii) Legal and Other matters:
In addition to above matters certain Group companies are involved in several other legal claims including revenue matters, environmental matters, civil and Labour matters.

(b) Other money for which the Group is contingently liable:
(i) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled.

(c) For contingent liabilities relating to associates and joint ventures, if any, are given in Notes 53 D and 53 E.

B. Commitments

The Group’s commitments with regard to various items in respect of:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for 1,179 1,588
(b) Purchase commitments in relation to Materials and Services (net of advances) 67,051 54,009
(c) The Company has given the following undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary:
   i. To hold minimum 51% equity shares in UAIL.

49. Capital Management

The Group’s objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (total borrowings less current investment and cash & cash equivalents) to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Debt Equity ratio 1.15 0.91

As at March 31, 2020 and March 31, 2019, the Group was in compliance with all of its debt covenants for borrowings.
## 50. Financial Instruments

### A. Fair Value Measurements

(a) The following table shows the carrying amount of financial assets and financial liabilities by category.

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortised Cost</td>
<td>Fair value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>through OCI</td>
</tr>
<tr>
<td>Investments in Equity Instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted Equity Instruments</td>
<td>-</td>
<td>2,991</td>
</tr>
<tr>
<td>Unquoted Equity Instruments</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>Investments in Preference Shares</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>Investments in Debt Instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>-</td>
<td>6,016</td>
</tr>
<tr>
<td>Bonds &amp; Debentures</td>
<td>-</td>
<td>210</td>
</tr>
<tr>
<td>Government Securities</td>
<td>-</td>
<td>93</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>2,431</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Bank</td>
<td>20,199</td>
<td>-</td>
</tr>
<tr>
<td>Liquid Mutual Funds</td>
<td>-</td>
<td>1,104</td>
</tr>
<tr>
<td>Bank Balances other than cash &amp; cash equivalents</td>
<td>266</td>
<td>-</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>9,389</td>
<td>-</td>
</tr>
<tr>
<td>Loans</td>
<td>67</td>
<td>-</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>1,102</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td><strong>31,023</strong></td>
<td><strong>3,119</strong></td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td><strong>19,629</strong></td>
<td><strong>5,137</strong></td>
</tr>
<tr>
<td>Borrowings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term Borrowings</td>
<td>58,379</td>
<td>-</td>
</tr>
<tr>
<td>Short term Borrowings</td>
<td>8,717</td>
<td>-</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>1,142</td>
<td>-</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>2,355</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>16,089</td>
<td>-</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>3,045</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td><strong>87,372</strong></td>
<td><strong>4,566</strong></td>
</tr>
</tbody>
</table>

(b) The following table shows fair value for financial assets and financial liabilities measured at amortised cost.

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Value</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Loans and Deposits</td>
<td>304</td>
<td>304</td>
</tr>
<tr>
<td><strong>Financial Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term Borrowings #</td>
<td>58,483</td>
<td>58,548</td>
</tr>
</tbody>
</table>

# Carrying amount includes current portion of debt shown under other current financial liabilities but excludes finance lease obligation and deferred payment liabilities.

Fair values for current financial assets and financial liabilities have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

Fair Value of borrowings does not include interest accrued but not due.

The Company had acquired certain equity instruments for purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorized as FVTOCI.
B. Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(a) Financial assets and liabilities measured at fair value - Recurring fair value

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Equity Instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted Equity Instruments</td>
<td>2,991</td>
<td>-</td>
<td>-</td>
<td>5,004</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unquoted Equity Instruments</td>
<td>-</td>
<td>-</td>
<td>35</td>
<td>-</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>Investments in Preference Shares</td>
<td>-</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>-</td>
</tr>
<tr>
<td>Investments in Debt Instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>5,996</td>
<td>20</td>
<td>-</td>
<td>3,560</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Bonds &amp; Debentures</td>
<td>6</td>
<td>-</td>
<td>204</td>
<td>5</td>
<td>180</td>
<td>40</td>
</tr>
<tr>
<td>Government Securities</td>
<td>-</td>
<td>73</td>
<td>20</td>
<td>-</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>2,431</td>
<td>-</td>
<td>-</td>
<td>1,414</td>
<td>-</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid Mutual Funds</td>
<td>1,104</td>
<td>-</td>
<td>-</td>
<td>2,178</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>-</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>368</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>10,097</td>
<td>2,561</td>
<td>259</td>
<td>10,747</td>
<td>2,075</td>
<td>129</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>-</td>
<td>2,307</td>
<td>48</td>
<td>-</td>
<td>1,171</td>
<td>20</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>-</td>
<td>2,211</td>
<td>-</td>
<td>-</td>
<td>2,973</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td>-</td>
<td>4,518</td>
<td>48</td>
<td>-</td>
<td>4,144</td>
<td>20</td>
</tr>
</tbody>
</table>

(b) Financial assets and liabilities measured at amortised cost for which fair value disclosure is given

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and Deposits</td>
<td>-</td>
<td>-</td>
<td>304</td>
<td>-</td>
<td>-</td>
<td>255</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term Borrowings</td>
<td>-</td>
<td>58,548</td>
<td>-</td>
<td>-</td>
<td>49,769</td>
<td>-</td>
</tr>
</tbody>
</table>

Level 1: Hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2: Hierarchy includes financial instruments that are not traded in active market. This includes over the counter (OTC) derivatives, close ended mutual funds and debt instruments valued using observable market data such as yield, etc., of similar instruments traded in active market. Borrowings have been fair valued using credit adjusted interest rate prevailing on the reporting date. Trade Receivables and Payables that are realigned based on forward LME/LBMA price movements have been included in Level 2 hierarchy.

Level 3: If one or more significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants. Valuations for certain derivatives for which forward prices are not observable, have been valued using forward prices for a nearby geographical market and adjusted for historical spreads between cash prices of the two markets.
(c) Disclosure of changes in Level 3 items for the period ended 31/03/2020 and 31/03/2019, respectively

<table>
<thead>
<tr>
<th></th>
<th>Unquoted Equity Instruments</th>
<th>Unquoted Debt Instruments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at April 01, 2018</strong></td>
<td></td>
<td></td>
<td>316</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>24</td>
<td>292</td>
<td>316</td>
</tr>
<tr>
<td>Sale</td>
<td>-</td>
<td>(136)</td>
<td>(136)</td>
</tr>
<tr>
<td>Gain/(losses) recognised in Profit or loss</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Gain/(losses) recognised in OCI</td>
<td>18</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Transfer from Level 1 &amp; 2</td>
<td>-</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Transfer to Level 1 &amp; 2</td>
<td>-</td>
<td>(136)</td>
<td>(136)</td>
</tr>
<tr>
<td><strong>As at March 31, 2019</strong></td>
<td>45</td>
<td>84</td>
<td>129</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain/(losses) recognised in Profit or loss</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Gain/(losses) recognised in OCI</td>
<td>(10)</td>
<td>-</td>
<td>(10)</td>
</tr>
<tr>
<td>Transfer from Level 1 &amp; 2</td>
<td>-</td>
<td>189</td>
<td>189</td>
</tr>
<tr>
<td>Transfer to Level 1 &amp; 2</td>
<td>-</td>
<td>(50)</td>
<td>(50)</td>
</tr>
<tr>
<td><strong>As at March 31, 2020</strong></td>
<td>35</td>
<td>224</td>
<td>130</td>
</tr>
</tbody>
</table>

Unrealised Gain/(loss) recognised in profit and loss relating to assets and liabilities held at the end of reporting period:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at March 31, 2020</strong></td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>As at March 31, 2019</strong></td>
<td>-</td>
<td>2</td>
</tr>
</tbody>
</table>

**Valuation Process**

Some of the Group’s assets and liabilities are measured at fair value for financial reporting purposes. The Management of the Group has set up a team in the finance department which performs the valuation of financial assets and liabilities.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The team reports findings to the Management of the Group to explain the cause of fluctuations in the fair value of the assets and liabilities.

**Valuation techniques used for valuation of instruments categorised as Level 3**

For valuation of investments in equity shares which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done by considering the net worth of the Company and price to book multiple to arrive at the fair value. In cases where income approach was feasible valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process.

For valuation of investments in debt securities categorised as Level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

**51. Financial Risk Management and Derivative Financial Instruments**

**A. Financial Risk Management**

The Group’s activities exposes it to various risks such as market risk, liquidity risk and credit risk. This section explains the risks which the Group is exposed to and how it manages the risks.

**a) Credit Risk**

Credit risks is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group’s receivables from customers.
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed on an group basis. The Group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating risk of financial loss from defaults. The Group invests only in those instruments issued by high rated banks/ institutions and government agencies. The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group’s investments in debt instruments and certain loans are considered as low risk investments. The credit ratings of the investments are monitored for credit deterioration.

For some trade receivables the Group obtains security in the form of guarantees, deed of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

For other financial assets, the Group assesses and manages credit risk based on the credit rating. The Group has assessed its other financial assets as high quality, negligible credit risk. The Group periodically monitors the recoverability and credit risks of its other financial assets including security deposits and other receivables. The Group evaluates 12 months expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Group considers life time expected credit losses for the purpose of impairment provisioning.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

**Movement in the allowance for doubtful debts:**

<table>
<thead>
<tr>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>(88)</td>
</tr>
<tr>
<td>Impairment losses (recognised)/ reversed on receivables</td>
<td>(21)</td>
</tr>
<tr>
<td>Amounts written off during the period as uncollectible</td>
<td>*</td>
</tr>
<tr>
<td>Foreign exchange translation gains and losses</td>
<td>*</td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>(109)</td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

**(b) Market Risk**

### i. Commodity Price Risk

Hindalco’s India Operations consist of two businesses – Copper Business and Aluminium Business. The Copper Business works under a “Custom Smelting” model wherein the focus is to improve the processing margin. The timing mis-match risk between the input and output price, which is linked to the same international pricing benchmark, is eliminated through use of derivatives. This off-set hedge model (through use of derivatives) is used to manage the timing mis-match risk for both Commodity (Copper and Precious Metals) and Currency Risk (primarily, USD/INR). The Copper Business also has a portion of View Based exposure for both Commodity and Currency, beyond the above timing mis-match risk. Lower Copper Prices, Stronger USD/INR exchange rate and Higher “Other Input” Prices (e.g., Coal, furnace oil, natural gas, etc.) are the major price risks that adversely impact the business. Here, the Company may use derivative instruments, wherever available, to manage these pricing risks. A variety of factors, including the risk appetite of the business and price view, are considered while taking Hedging Decisions. Such View based hedges are usually done for the next 1-8 quarters.

The Aluminium Business is a vertically integrated business model wherein the input and output pricing risks are independent of each other, i.e. – are on different pricing benchmarks, if any. Here, the Company may use derivative instruments, wherever available, to manage its pricing risks for both input and output products. Lower Aluminium Prices, Stronger USD/INR exchange rate and Higher Input Prices (e.g. Alumina, Furnace Oil) are the major price risks that adversely impact the Business. Hedging decisions are based on a variety of factors, including risk appetite of the business and price View. Such Hedge decisions are usually done for the next 1-12 quarters.
Embedded Derivatives

Copper concentrate is purchased on future pricing model based on month’s average LME (in case of copper)/LBMA (in case of gold and silver). Since, the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to inventory.

Novelis business model is conducted under a conversion model which allows us to pass through increases or decreases in the price of aluminium to our customers. Derivative instruments are used to preserve conversion margins and manage timing differences associated with metal price lag related to base aluminium price. Novelis also uses several sources of energy such as natural gas, electricity, fuel oil and transport oil in manufacturing and delivery of its products.

The table below summarises the gain/(loss) impact on account of increase/decrease in the commodity prices on the Group’s equity and profit for the period.

<table>
<thead>
<tr>
<th></th>
<th>Price Index</th>
<th>Increase in Rate/Price</th>
<th>Change in Statement of Profit &amp; Loss</th>
<th>Change in Other Components of Equity</th>
<th>Change in Statement of Profit &amp; Loss</th>
<th>Change in Other Components of Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>LME</td>
<td>10%</td>
<td>(19)</td>
<td>(491)</td>
<td>19</td>
<td>(647)</td>
</tr>
<tr>
<td>Copper</td>
<td>LME</td>
<td>10%</td>
<td>(218)</td>
<td>(47)</td>
<td>(379)</td>
<td>(2)</td>
</tr>
<tr>
<td>Gold</td>
<td>LBMA/ MCX</td>
<td>10%</td>
<td>(86)</td>
<td>-</td>
<td>154</td>
<td>(222)</td>
</tr>
<tr>
<td>Silver</td>
<td>LBMA</td>
<td>10%</td>
<td>(14)</td>
<td>-</td>
<td>(2)</td>
<td>(10)</td>
</tr>
<tr>
<td>Coal</td>
<td>API IV</td>
<td>10%</td>
<td>*</td>
<td>1</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>AG Platts</td>
<td>10%</td>
<td>*</td>
<td>10</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Electricity</td>
<td>National Grid/ NYMEX</td>
<td>10%</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>ICE Brent/ Henry NYMEX</td>
<td>10%</td>
<td>1</td>
<td>19</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td>Diesel Fuel</td>
<td>EIA Flat Tax On-Highway</td>
<td>10%</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>17</td>
</tr>
</tbody>
</table>

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the outstanding derivative position as on the reporting date by assuming all other factors constant.

ii. Foreign Currency Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR) and Euro, the Swiss Franc, the Brazilian Real and the Korean Won against the U.S. Dollar have an impact on our operating results.

In India in addition to the foreign exchange inflow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The Group enters into various foreign exchange contracts to protect profitability. The Group also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities.

In Europe, where we have predominantly local currency selling prices and operating costs, we benefit as the Euro strengthens, but are adversely affected as the Euro weakens. For our Swiss operations, where operating costs are incurred primarily in the Swiss Franc and a large portion of revenues are denominated in the Euro, we benefit as the Franc weakens but are adversely affected as the Franc strengthens. In South Korea, where we have local currency operating costs and U.S. Dollar denominated selling prices for exports, we benefit as
the Won weakens but are adversely affected as the Won strengthens. In Brazil, where we have predominately U.S. Dollar selling prices and local currency manufacturing costs, we benefit as the Real weakens, but are adversely affected as the Real strengthens.

The Group’s exposure to foreign currency risk at the end of the reporting period expressed in INR, is as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Unhedged Foreign Currency Payable / (Receivable)</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td></td>
<td>589</td>
<td>378</td>
</tr>
<tr>
<td>EUR</td>
<td></td>
<td>(3)</td>
<td>(43)</td>
</tr>
<tr>
<td>GBP</td>
<td></td>
<td>28</td>
<td>2</td>
</tr>
<tr>
<td>NOK</td>
<td></td>
<td>*</td>
<td>1</td>
</tr>
<tr>
<td>CAD</td>
<td></td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>AUD</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>CHF</td>
<td></td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>BRL</td>
<td></td>
<td>*</td>
<td>112</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>628</strong></td>
<td><strong>471</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

The table below summarises the gain/(loss) impact on account of increase/decrease in the exchange rates on the Group’s equity and profit for the period.

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>Increase in Rate/Price</th>
<th>Change in Statement of Profit &amp; Loss</th>
<th>Change in Other Components of Equity</th>
<th>Change in Statement of Profit &amp; Loss</th>
<th>Change in Other Components of Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD_INR</td>
<td>10%</td>
<td>105</td>
<td>(1,293)</td>
<td>14</td>
<td>(921)</td>
</tr>
<tr>
<td>EUR_INR</td>
<td>10%</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>EUR_USD</td>
<td>10%</td>
<td>30</td>
<td>15</td>
<td>(96)</td>
<td>(23)</td>
</tr>
<tr>
<td>BRL_USD</td>
<td>10%</td>
<td>20</td>
<td>102</td>
<td>5</td>
<td>188</td>
</tr>
<tr>
<td>KRW_USD</td>
<td>10%</td>
<td>43</td>
<td>157</td>
<td>115</td>
<td>158</td>
</tr>
<tr>
<td>CAD_USD</td>
<td>10%</td>
<td>(10)</td>
<td>(15)</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>GBP_USD</td>
<td>10%</td>
<td>(221)</td>
<td>(11)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CHF_USD</td>
<td>10%</td>
<td>37</td>
<td>122</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CNY_USD</td>
<td>10%</td>
<td>(12)</td>
<td>(18)</td>
<td>(18)</td>
<td>-</td>
</tr>
<tr>
<td>GBP_CHF</td>
<td>10%</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EUR_CHF</td>
<td>10%</td>
<td>152</td>
<td>53</td>
<td>104</td>
<td>41</td>
</tr>
<tr>
<td>EUR_GBP</td>
<td>10%</td>
<td>117</td>
<td>11</td>
<td>65</td>
<td>-</td>
</tr>
<tr>
<td>EUR_CNY</td>
<td>10%</td>
<td>-</td>
<td>6</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying currency index on the outstanding derivative position and unhedged exposure as on the reporting date by assuming all other factors constant.

iii. Interest Rate Risk

The Group is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates. Such interest rate risk is actively evaluated and interest rate swap is taken whenever considered necessary.

The Group is also exposed to interest rate risk on its financial assets that include fixed deposits, bonds, debentures, commercial paper, mutual funds and liquid investments comprising mainly mutual funds (which are part of cash and cash equivalents). Since, all these are generally for short durations, the Company believes it has manageable and limited interest rate risk.
The table below summarises the (gain)/loss impact on account of decrease/increase in the benchmark interest rates on the Group's equity and profit for the period.

<table>
<thead>
<tr>
<th>Increase in Rate/Price</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change in Statement of Profit &amp; Loss</td>
<td>Change in Other Components of Equity</td>
</tr>
<tr>
<td>Interest rate on floating rate borrowings</td>
<td>50 bps</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>100 bps</td>
<td>(244)</td>
</tr>
</tbody>
</table>

Decrease in rates by 100 bps/ 50 bps will have equal and opposite impact in financial statements.

iv. **Equity Price Risk**

The Group's exposure to equity securities price risk arises from movement in market price of related securities classified either as fair value through OCI or as fair value through profit and loss. The Group manages the price risk through diversified portfolio.

The table below summarises the gain/(loss) impact on account of increase/decrease in the equity share prices on the Group's equity and profit for the period.

<table>
<thead>
<tr>
<th>Increase in Rate/Price</th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change in Statement of Profit &amp; Loss</td>
<td>Change in Other Components of Equity</td>
</tr>
<tr>
<td>Investment in Equity securities</td>
<td>10%</td>
<td>-</td>
</tr>
</tbody>
</table>

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date.

(c) **Liquidity Risk**

The Group determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium term requirements and strategic financing plans for long term needs.

The Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain investments (including mutual fund) which provide flexibility to liquidate at short notice and are included in current investments and cash and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed periodically.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

(i) **Financing Arrangement**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Overdraft and other facilities</td>
<td>2,317</td>
<td>8,338</td>
</tr>
</tbody>
</table>

Undrawn limit has been calculated based on the available drawing power and sanctioned amount at each reporting date.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Maturity Analysis

The table below shows the Group’s financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net settled derivative financial instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<table>
<thead>
<tr>
<th>Contractual maturities of financial liabilities as at March 31, 2020</th>
<th>Less than 1 Year</th>
<th>1-2 Years</th>
<th>2-5 Years</th>
<th>More Than 5 Years</th>
<th>Total</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings #</td>
<td>11,521</td>
<td>4,777</td>
<td>29,908</td>
<td>40,343</td>
<td>86,549</td>
<td>67,257</td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>309</td>
<td>236</td>
<td>421</td>
<td>725</td>
<td>1,691</td>
<td>1,142</td>
</tr>
<tr>
<td>Trade payables</td>
<td>18,300</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,300</td>
<td>18,300</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>2,805</td>
<td>7</td>
<td>2</td>
<td>70</td>
<td>2,884</td>
<td>2,884</td>
</tr>
<tr>
<td>Total Non-Derivative liabilities</td>
<td>32,935</td>
<td>5,020</td>
<td>30,331</td>
<td>41,138</td>
<td>109,424</td>
<td>89,583</td>
</tr>
<tr>
<td>Derivatives</td>
<td>2,100</td>
<td>209</td>
<td>46</td>
<td>-</td>
<td>2,355</td>
<td>2,355</td>
</tr>
<tr>
<td>Total Derivative liabilities</td>
<td>2,100</td>
<td>209</td>
<td>46</td>
<td>-</td>
<td>2,355</td>
<td>2,355</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contractual maturities of financial liabilities as at March 31, 2019</th>
<th>Less than 1 Year</th>
<th>1-2 Years</th>
<th>2-5 Years</th>
<th>More Than 5 Years</th>
<th>Total</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings #</td>
<td>5,962</td>
<td>3,120</td>
<td>26,122</td>
<td>34,696</td>
<td>69,900</td>
<td>52,364</td>
</tr>
<tr>
<td>Obligations under finance lease</td>
<td>16</td>
<td>17</td>
<td>20</td>
<td>10</td>
<td>63</td>
<td>51</td>
</tr>
<tr>
<td>Trade payables</td>
<td>20,723</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>20,725</td>
<td>20,725</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>2,854</td>
<td>4</td>
<td>-</td>
<td>65</td>
<td>2,923</td>
<td>2,923</td>
</tr>
<tr>
<td>Total Non-Derivative liabilities</td>
<td>29,555</td>
<td>3,142</td>
<td>26,143</td>
<td>34,771</td>
<td>93,611</td>
<td>76,063</td>
</tr>
<tr>
<td>Derivatives</td>
<td>1,081</td>
<td>92</td>
<td>18</td>
<td>-</td>
<td>1,191</td>
<td>1,191</td>
</tr>
<tr>
<td>Total Derivative liabilities</td>
<td>1,081</td>
<td>92</td>
<td>18</td>
<td>-</td>
<td>1,191</td>
<td>1,191</td>
</tr>
</tbody>
</table>

# Includes Principal and interest payments, short term borrowings, current portion of debt and excludes unamortised fees.

Total cash outflow for leases for year ended 31/03/2020 is ₹ 558 Crore.

B. Derivative Financial Instruments

The Group uses derivative financial instruments such as forwards, futures, swaps, options, etc., to hedge its risks associated with foreign exchange fluctuation. Risks associated with fluctuation in the price of the products (copper, aluminium, coal, furnace oil, natural gas, electricity, diesel and precious metals) are minimized by undertaking appropriate derivative instruments. Derivatives embedded in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

The Group also applies hedge accounting using certain foreign currency non-derivative monetary items which are used as hedging instruments for hedging foreign exchange risk.
(a) The Asset and Liability position of various outstanding derivative financial instruments is given below:

<table>
<thead>
<tr>
<th>Nature of Risk being Hedged</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liability</td>
<td>Asset</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Commodity contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Risk</td>
<td>(239)</td>
<td>1,277</td>
</tr>
<tr>
<td>- Foreign currency contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate movement risk</td>
<td>(833)</td>
<td>36</td>
</tr>
<tr>
<td>Fair value Hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Commodity contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Risk</td>
<td>(78)</td>
<td>46</td>
</tr>
<tr>
<td>- Foreign currency contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate movement risk</td>
<td></td>
<td>46</td>
</tr>
<tr>
<td>- Embedded derivatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Risk</td>
<td>(11)</td>
<td>526</td>
</tr>
<tr>
<td>Non-designated hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Commodity contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Risk</td>
<td>(699)</td>
<td>862</td>
</tr>
<tr>
<td>- Foreign currency contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate movement risk</td>
<td></td>
<td>115</td>
</tr>
<tr>
<td>- Embedded derivatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price Risk</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(2,111)</td>
<td>2,922</td>
</tr>
</tbody>
</table>

| Non-current                 |                 |                  |           |       |
| Cash flow hedges            |                 |                  |           |       |
| - Commodity contracts       |                 |                  |           |       |
|   Price Risk                | (63)            | 39               | (29)      | 31    |
| - Foreign currency contracts|                 |                  |           |       |
|   Exchange rate movement risk|             | 8               | (73)      | 67    |
| Non-designated hedges       |                 |                  |           |       |
| - Commodity contracts       |                 |                  |           |       |
|   Price Risk                | (6)             | 2                | (1)       | 2     |
| - Foreign currency contracts|                 |                  |           |       |
|   Price Risk                | (2)             | -                | (7)       | 7     |
| **Total**                   | (255)           | 49               | (110)     | 107   |
| **Grand Total**             | (2,366)         | 2,971            | (1,440)   | 1,420 |

Fair Value Gain of Embedded Derivatives of ₹ 529 Crore previous year Loss ₹ (242) Crore accounted for as part of Trade Payables.

Derivative assets are part of other financial assets included in Note 12. Derivative liabilities are part of other financial liabilities included in Note 25.

(b) Outstanding position and fair value of various foreign exchange derivative financial instruments:

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average exchange rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td><strong>Foreign Currency Forwards</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy CHF_EUR</td>
<td>0.92</td>
<td>50</td>
</tr>
<tr>
<td>Buy USD_CHF</td>
<td>0.96</td>
<td>4</td>
</tr>
<tr>
<td>Buy BRL_USD</td>
<td>0.24</td>
<td>236</td>
</tr>
<tr>
<td>Buy EUR_USD</td>
<td>1.12</td>
<td>18</td>
</tr>
<tr>
<td>Buy USD_CAD</td>
<td>1.32</td>
<td>22</td>
</tr>
<tr>
<td>Buy USD_KRW</td>
<td>1,174.47</td>
<td>328</td>
</tr>
<tr>
<td>Buy USD_CNY</td>
<td>7.01</td>
<td>19</td>
</tr>
<tr>
<td>Buy EUR_CNY</td>
<td>8.12</td>
<td>8</td>
</tr>
<tr>
<td>Buy EUR_INR</td>
<td>85.62</td>
<td>9</td>
</tr>
<tr>
<td>Buy USD_INR</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sell USD_INR</td>
<td>79.85</td>
<td>1,557</td>
</tr>
<tr>
<td></td>
<td>(852)</td>
<td>(852)</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average exchange rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td><strong>Fair value hedges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>USD_INR</td>
<td>73.18</td>
<td>132</td>
</tr>
<tr>
<td>Foreign Currency Swaps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sell</td>
<td>USD_INR</td>
<td>63.51</td>
</tr>
<tr>
<td>Foreign Currency Options</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sell</td>
<td>USD_INR</td>
<td>72.79</td>
</tr>
<tr>
<td>Non-Designated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buy</td>
<td>AUD_INR</td>
<td>45.74</td>
</tr>
<tr>
<td>Buy</td>
<td>EUR_INR</td>
<td>85.44</td>
</tr>
<tr>
<td>Buy</td>
<td>GBP_INR</td>
<td>93.21</td>
</tr>
<tr>
<td>Buy</td>
<td>USD_INR</td>
<td>75.83</td>
</tr>
<tr>
<td>Buy</td>
<td>GBP_EUR</td>
<td>1.15</td>
</tr>
<tr>
<td>Buy</td>
<td>USD_KRW</td>
<td>1,174.47</td>
</tr>
<tr>
<td>Buy</td>
<td>EUR_USD</td>
<td>1.14</td>
</tr>
<tr>
<td>Buy</td>
<td>GBP_USD</td>
<td>1.30</td>
</tr>
<tr>
<td>Buy</td>
<td>USD_CHF</td>
<td>0.96</td>
</tr>
<tr>
<td>Buy</td>
<td>CAD_USD</td>
<td>0.75</td>
</tr>
<tr>
<td>Buy</td>
<td>USD_BRL</td>
<td>4.35</td>
</tr>
<tr>
<td>Buy</td>
<td>EUR_KRW</td>
<td>-</td>
</tr>
<tr>
<td>Buy</td>
<td>CHF_GBP</td>
<td>0.85</td>
</tr>
<tr>
<td>Buy</td>
<td>CHF_EUR</td>
<td>0.94</td>
</tr>
<tr>
<td>Buy</td>
<td>USD_CNY</td>
<td>7.20</td>
</tr>
<tr>
<td>Buy</td>
<td>EUR_CNY</td>
<td>-</td>
</tr>
<tr>
<td>Sell</td>
<td>USD_INR</td>
<td>75.56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(c) Outstanding position and fair value of various foreign exchange non-derivative financial instruments used as hedging instruments:

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average exchange rate</td>
<td>Notional Value (in Million)</td>
</tr>
<tr>
<td><strong>Foreign currency monetary items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow monetary items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td>USD_INR</td>
<td>71.52</td>
</tr>
<tr>
<td>Liability for Copper Concentrate</td>
<td>USD_INR</td>
<td>73.86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(d) Outstanding position and fair value of various commodity derivative financial instruments

(i) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2020:

<table>
<thead>
<tr>
<th>Commodity Futures/Forwards/Swaps</th>
<th>Transaction</th>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional value (in Million)</th>
<th>Fair Value Gain/(Loss) (in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow Hedge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminium</td>
<td>Sell</td>
<td>USD</td>
<td>1,642</td>
<td>660,058</td>
<td>MT</td>
<td>1,084</td>
<td>1,256</td>
</tr>
<tr>
<td>Aluminium</td>
<td>Buy</td>
<td>USD</td>
<td>1,492</td>
<td>62,690</td>
<td>MT</td>
<td>94</td>
<td>(108)</td>
</tr>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD</td>
<td>5,261</td>
<td>19,650</td>
<td>MT</td>
<td>103</td>
<td>46</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>Buy</td>
<td>USD</td>
<td>257</td>
<td>118,867</td>
<td>MT</td>
<td>31</td>
<td>(65)</td>
</tr>
<tr>
<td>Coal</td>
<td>Buy</td>
<td>USD</td>
<td>72</td>
<td>20,000</td>
<td>MT</td>
<td>1</td>
<td>*</td>
</tr>
<tr>
<td>Regasified Liquid Natural gas</td>
<td>Buy</td>
<td>USD</td>
<td>35</td>
<td>45,000</td>
<td>BBL</td>
<td>2</td>
<td>*</td>
</tr>
<tr>
<td>Diesel Fuel</td>
<td>Buy</td>
<td>USD</td>
<td>3</td>
<td>6,552,000</td>
<td>Gallons</td>
<td>17</td>
<td>(29)</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Buy</td>
<td>USD</td>
<td>2</td>
<td>14,730,000</td>
<td>MMBtu</td>
<td>25</td>
<td>(39)</td>
</tr>
<tr>
<td>Electricity</td>
<td>Buy</td>
<td>USD</td>
<td>28</td>
<td>498,124</td>
<td>Mwh</td>
<td>14</td>
<td>(47)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,014</td>
</tr>
<tr>
<td><strong>Fair Value Hedge</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>Sell</td>
<td>INR</td>
<td>4,152,737</td>
<td>4,808</td>
<td>KGS</td>
<td>19,966</td>
<td>(77)</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD</td>
<td>18</td>
<td></td>
<td>TOZ</td>
<td>30</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(32)</td>
</tr>
<tr>
<td><strong>Non-Designated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminium</td>
<td>Buy</td>
<td>USD</td>
<td>1,522</td>
<td>74,992</td>
<td>MT</td>
<td>114</td>
<td>(134)</td>
</tr>
<tr>
<td>Aluminium</td>
<td>Sell</td>
<td>USD</td>
<td>1,565</td>
<td>95,524</td>
<td>MT</td>
<td>150</td>
<td>254</td>
</tr>
<tr>
<td>Copper</td>
<td>Buy</td>
<td>USD</td>
<td>4,965</td>
<td>9,350</td>
<td>MT</td>
<td>47</td>
<td>(9)</td>
</tr>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD</td>
<td>5,275</td>
<td>12,750</td>
<td>MT</td>
<td>67</td>
<td>32</td>
</tr>
<tr>
<td>Gold</td>
<td>Buy</td>
<td>INR</td>
<td>4,238,148</td>
<td>2,885</td>
<td>KGS</td>
<td>12,227</td>
<td>27</td>
</tr>
<tr>
<td>Silver</td>
<td>Buy</td>
<td>USD</td>
<td>13</td>
<td>201,115</td>
<td>TOZ</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD</td>
<td>18</td>
<td>177,427</td>
<td>TOZ</td>
<td>3</td>
<td>6</td>
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<tr>
<td>Furnace Oil</td>
<td>Buy</td>
<td>USD</td>
<td>279</td>
<td>13,962</td>
<td>MT</td>
<td>4</td>
<td>(12)</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>Sell</td>
<td>USD</td>
<td>171</td>
<td>12,830</td>
<td>MT</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Coal</td>
<td>Buy</td>
<td>USD</td>
<td>76</td>
<td>50,000</td>
<td>MT</td>
<td>4</td>
<td>(2)</td>
</tr>
<tr>
<td>Coal</td>
<td>Sell</td>
<td>USD</td>
<td>69</td>
<td>50,000</td>
<td>MT</td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td>Regasified Liquid Natural gas</td>
<td>Buy</td>
<td>USD</td>
<td>34</td>
<td>6,500</td>
<td>BBL</td>
<td>0</td>
<td>*</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Buy</td>
<td>USD</td>
<td>2</td>
<td>510,000</td>
<td>MMBtu</td>
<td>1</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>159</td>
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<tr>
<td><strong>Embedded derivatives</strong></td>
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<td></td>
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</tr>
<tr>
<td><strong>Fair Value Hedge</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD</td>
<td>5,726</td>
<td>84,801</td>
<td>MT</td>
<td>486</td>
<td>501</td>
</tr>
<tr>
<td>Gold</td>
<td>Sell</td>
<td>USD</td>
<td>1,596</td>
<td>42,835</td>
<td>TOZ</td>
<td>68</td>
<td>7</td>
</tr>
<tr>
<td>Silver</td>
<td>Sell</td>
<td>USD</td>
<td>17</td>
<td>294,397</td>
<td>TOZ</td>
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<td>7</td>
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<td><strong>Total</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>515</td>
</tr>
<tr>
<td><strong>Non-Designated</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Copper</td>
<td>Sell</td>
<td>USD</td>
<td>5,654</td>
<td>2,536</td>
<td>MT</td>
<td>14</td>
<td>14</td>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14</td>
</tr>
</tbody>
</table>
(ii) Outstanding position and fair value of various commodity derivative financial instruments as at 31 March, 2019:

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Currency</th>
<th>Average Price/ Unit</th>
<th>Quantity</th>
<th>Unit</th>
<th>Notional value (in Million)</th>
<th>Fair Value Gain/(Loss) (¢ in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commodity Futures/Forwards/Swaps</strong></td>
<td>Cash Flow Hedge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminium Sell</td>
<td>USD</td>
<td>2,016</td>
<td>561,594</td>
<td>MT</td>
<td>1,132</td>
<td>361</td>
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<tr>
<td>Gold Sell</td>
<td>INR</td>
<td>3,279,046</td>
<td>6,843</td>
<td>KGS</td>
<td>22,439</td>
<td>66</td>
</tr>
<tr>
<td>Silver Sell</td>
<td>USD</td>
<td>16</td>
<td>1,513,065</td>
<td>TOZ</td>
<td>24</td>
<td>8</td>
</tr>
<tr>
<td>Copper Sell</td>
<td>USD</td>
<td>6,488</td>
<td>800</td>
<td>MT</td>
<td>5</td>
<td>*</td>
</tr>
<tr>
<td>Furnace Oil Buy</td>
<td>USD</td>
<td>341</td>
<td>50,000</td>
<td>MT</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Coal Buy</td>
<td>USD</td>
<td>81</td>
<td>90,000</td>
<td>MT</td>
<td>7</td>
<td>(4)</td>
</tr>
<tr>
<td>Diesel Fuel Buy</td>
<td>USD</td>
<td>3</td>
<td>8,064,000</td>
<td>Gallons</td>
<td>26</td>
<td>(4)</td>
</tr>
<tr>
<td>Natural gas Buy</td>
<td>USD</td>
<td>3</td>
<td>15,160,000</td>
<td>MMBtu</td>
<td>43</td>
<td>(12)</td>
</tr>
<tr>
<td>Electricity Buy</td>
<td>USD</td>
<td>47</td>
<td>769,828</td>
<td>Mwh</td>
<td>36</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>407</td>
</tr>
</tbody>
</table>

| **Commodity Futures/Forwards/Swaps** | Non-Designated | | | | | |
| Aluminium Buy | USD | 1,890 | 136,315 | MT | 258 | (36) |
| Aluminium Sell | USD | 1,912 | 122,755 | MT | 235 | 79 |
| Copper Buy | USD | 6,377 | 8,275 | MT | 53 | 11 |
| Copper Sell | USD | 6,511 | 12,625 | MT | 82 | 2 |
| Gold Buy | INR | 3,288,031 | 4,474 | KGS | 14,711 | (51) |
| Silver Buy | USD | 15 | 217,134 | TOZ | 3 | * |
| Silver Sell | USD | 16 | 69,015 | TOZ | 1 | * |
| Furnace Oil Buy | USD | 364 | 9,998 | MT | 4 | 4 |
| Furnace Oil Sell | USD | 417 | 9,998 | MT | 4 | * |
| Natural Gas Buy | USD | 3 | 440,000 | MMBtu | 1 | * |
| **Total** | | | | | | 9 |

| **Commodity Futures/Forwards/Swaps** | Embedded derivatives | | | | | |
| Copper Sell | USD | 6,105 | 121,896 | MT | 755 | (246) |
| Gold Sell | USD | 1,307 | 33,123 | TOZ | 43 | 2 |
| Silver Sell | USD | 16 | 351,099 | TOZ | 5 | 1 |
| **Total** | | | | | | (243) |

(e) The following table presents details of amount held in Effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of Profit and Loss.

<table>
<thead>
<tr>
<th>Products/ Currency Pair</th>
<th>Hedge Instrument Type</th>
<th>As at 31.03.2020</th>
<th></th>
<th></th>
<th>As at 31.03.2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
</tr>
<tr>
<td>Cash Flow Hedges</td>
<td>Commodity Forwards</td>
<td>Aluminium</td>
<td>1,190</td>
<td>1,209</td>
<td>(19)</td>
<td>459</td>
</tr>
<tr>
<td></td>
<td>Gold</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Silver</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Copper</td>
<td>46</td>
<td>46</td>
<td>-</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>
### Cash Flow Hedges

<table>
<thead>
<tr>
<th>Products/Currency Pair</th>
<th>As at March 31, 2020</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
<th>As at March 31, 2019</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>(64)</td>
<td>(63)</td>
<td>(1)</td>
<td>12</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Coal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4)</td>
<td>(4)</td>
<td>-</td>
</tr>
<tr>
<td>Diesel Fuel</td>
<td>(30)</td>
<td>(25)</td>
<td>(5)</td>
<td>(2)</td>
<td>(2)</td>
<td>*</td>
</tr>
<tr>
<td>Electricity</td>
<td>(64)</td>
<td>(34)</td>
<td>(30)</td>
<td>(24)</td>
<td>(8)</td>
<td>(16)</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>(45)</td>
<td>(28)</td>
<td>(17)</td>
<td>(17)</td>
<td>(2)</td>
<td>(15)</td>
</tr>
<tr>
<td>Total</td>
<td>1,033</td>
<td>1,105</td>
<td>(72)</td>
<td>432</td>
<td>437</td>
<td>(5)</td>
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</table>

### Non-derivative financial instruments

<table>
<thead>
<tr>
<th>Hedge Instrument Type</th>
<th>As at March 31, 2020</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
<th>As at March 31, 2019</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
</tr>
<tr>
<td>Debt USD_INR</td>
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<td>(254)</td>
<td>-</td>
<td>114</td>
<td>114</td>
<td>-</td>
</tr>
<tr>
<td>Liability for Copper USD_INR</td>
<td>(59)</td>
<td>(59)</td>
<td>-</td>
<td>20</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(313)</td>
<td>(313)</td>
<td>-</td>
<td>134</td>
<td>134</td>
<td>-</td>
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</tbody>
</table>

### Hedge Instrument Type

<table>
<thead>
<tr>
<th>Hedge Instrument Type</th>
<th>As at March 31, 2020</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
<th>As at March 31, 2019</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
</tr>
<tr>
<td>Currency Forwards</td>
<td>(300)</td>
<td>(172)</td>
<td>(128)</td>
<td>88</td>
<td>22</td>
<td>66</td>
</tr>
<tr>
<td>EUR_INR</td>
<td>(1)</td>
<td>(1)</td>
<td>-</td>
<td>(8)</td>
<td>(7)</td>
<td>(1)</td>
</tr>
<tr>
<td>USD_EUR</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>USD_BRL</td>
<td>(498)</td>
<td>(346)</td>
<td>(152)</td>
<td>(37)</td>
<td>(13)</td>
<td>(24)</td>
</tr>
<tr>
<td>USD_CAD</td>
<td>(12)</td>
<td>(12)</td>
<td>-</td>
<td>(4)</td>
<td>(4)</td>
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</tr>
<tr>
<td>EUR_KRW</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>*</td>
<td>*</td>
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<tr>
<td>USD_KRW</td>
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<td>(82)</td>
<td>-</td>
<td>(51)</td>
<td>(51)</td>
<td>-</td>
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<td>EUR_CHF</td>
<td>9</td>
<td>9</td>
<td>-</td>
<td>10</td>
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<td>-</td>
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<td>EUR_CNY</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Currency Swaps USD_INR</td>
<td>(139)</td>
<td>(139)</td>
<td>-</td>
<td>(317)</td>
<td>(252)</td>
<td>(65)</td>
</tr>
<tr>
<td>Currency Options USD_INR</td>
<td>(10)</td>
<td>(10)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(1,030)</td>
<td>(751)</td>
<td>(279)</td>
<td>(317)</td>
<td>(293)</td>
<td>(24)</td>
</tr>
</tbody>
</table>

### Cost of Hedging Reserve

<table>
<thead>
<tr>
<th>Hedge Instrument Type</th>
<th>As at March 31, 2020</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
<th>As at March 31, 2019</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
</tr>
<tr>
<td>Commodity Forwards</td>
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<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Currency Swaps USD_INR</td>
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<td>184</td>
<td>-</td>
<td>772</td>
<td>616</td>
<td>156</td>
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<tr>
<td>Currency Options USD_INR</td>
<td>(2)</td>
<td>(2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>183</td>
<td>183</td>
<td>-</td>
<td>772</td>
<td>616</td>
<td>156</td>
</tr>
</tbody>
</table>

### Deferred Tax on above

<table>
<thead>
<tr>
<th></th>
<th>As at March 31, 2020</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
<th>As at March 31, 2019</th>
<th>In less than 12 Months</th>
<th>After 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
<td>Gain/(Loss)</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
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<td>(64)</td>
<td>-</td>
<td>(270)</td>
<td>(215)</td>
<td>(55)</td>
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<tr>
<td>Total</td>
<td>119</td>
<td>119</td>
<td>-</td>
<td>502</td>
<td>401</td>
<td>101</td>
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</table>
(g) The following table presents the amount of gain/(loss) recognized in Effective portion of Cash Flow Hedge and recycled during the year 2019-20:

<table>
<thead>
<tr>
<th></th>
<th>Opening Balance</th>
<th>Net Amount recognised</th>
<th>Net Amount to P&amp;L</th>
<th>Amount added to Non-Financial Assets</th>
<th>Total Amount recycled</th>
<th>CTA</th>
<th>As at 31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow Hedges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity</td>
<td>432</td>
<td>1,657</td>
<td>1,108</td>
<td>(26)</td>
<td>1,082</td>
<td>26</td>
<td>1,033</td>
</tr>
<tr>
<td>Forex</td>
<td>(183)</td>
<td>(1,821)</td>
<td>(632)</td>
<td>(65)</td>
<td>(697)</td>
<td>(36)</td>
<td>(1,343)</td>
</tr>
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<td><strong>Total</strong></td>
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<td>(164)</td>
<td>476</td>
<td>(91)</td>
<td>385</td>
<td>(10)</td>
<td>(310)</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
<td>(49)</td>
<td>94</td>
<td>(141)</td>
<td>14</td>
<td>(127)</td>
<td>8</td>
<td>180</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>200</td>
<td>(70)</td>
<td>335</td>
<td>(77)</td>
<td>258</td>
<td>(2)</td>
<td>(130)</td>
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<tr>
<td><strong>Cost of Hedging Reserve</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity</td>
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<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Forex</td>
<td>772</td>
<td>94</td>
<td>684</td>
<td>-</td>
<td>684</td>
<td>-</td>
<td>182</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>772</td>
<td>97</td>
<td>686</td>
<td>-</td>
<td>686</td>
<td>-</td>
<td>183</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
<td>(270)</td>
<td>(34)</td>
<td>(240)</td>
<td>-</td>
<td>(240)</td>
<td>-</td>
<td>(64)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td>63</td>
<td>446</td>
<td>-</td>
<td>446</td>
<td>-</td>
<td>119</td>
</tr>
</tbody>
</table>

The following tables presents the amount of gain/(loss) recognized in Effective portion of Cash Flow Hedge and recycled during the year 2018-19:

<table>
<thead>
<tr>
<th></th>
<th>Opening Balance</th>
<th>Net Amount recognised</th>
<th>Net Amount to P&amp;L</th>
<th>Amount added to Non-Financial Assets</th>
<th>Total Amount recycled</th>
<th>CTA</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow Hedges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity</td>
<td>112</td>
<td>908</td>
<td>610</td>
<td>2</td>
<td>612</td>
<td>24</td>
<td>432</td>
</tr>
<tr>
<td>Forex</td>
<td>210</td>
<td>(1,296)</td>
<td>(872)</td>
<td>(31)</td>
<td>(903)</td>
<td>-</td>
<td>(183)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>322</td>
<td>(388)</td>
<td>(262)</td>
<td>(29)</td>
<td>(291)</td>
<td>24</td>
<td>249</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
<td>(60)</td>
<td>105</td>
<td>90</td>
<td>-</td>
<td>90</td>
<td>(4)</td>
<td>(49)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>262</td>
<td>(283)</td>
<td>(172)</td>
<td>(29)</td>
<td>(201)</td>
<td>20</td>
<td>200</td>
</tr>
<tr>
<td><strong>Cost of Hedging Reserve</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity</td>
<td>-</td>
<td>(41)</td>
<td>(41)</td>
<td>-</td>
<td>(41)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Forex</td>
<td>995</td>
<td>201</td>
<td>424</td>
<td>-</td>
<td>424</td>
<td>-</td>
<td>772</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>995</td>
<td>160</td>
<td>383</td>
<td>-</td>
<td>383</td>
<td>-</td>
<td>772</td>
</tr>
<tr>
<td>Deferred Tax on above</td>
<td>(348)</td>
<td>(56)</td>
<td>(134)</td>
<td>-</td>
<td>(134)</td>
<td>-</td>
<td>(270)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>647</td>
<td>104</td>
<td>249</td>
<td>-</td>
<td>249</td>
<td>-</td>
<td>502</td>
</tr>
</tbody>
</table>

(h) The following table presents the amount of gain/ (loss) recycled from Effective portion of Cash Flow Hedge and Cost of Hedging Reserve and reference of the line item in the Statement of Profit and Loss where those amounts are included:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>1,283</td>
<td>241</td>
</tr>
<tr>
<td>Cost of Materials Consumed</td>
<td>(117)</td>
<td>(103)</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>-</td>
<td>(7)</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(4)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,162</td>
<td>121</td>
</tr>
</tbody>
</table>
The adjustment as part of the carrying value of inventories arising on account of fair value hedges is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31.03.2020</th>
<th>Year ended 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Raw Material</td>
<td>WIP and Finished Goods</td>
</tr>
<tr>
<td>Copper</td>
<td>(501)</td>
<td>-</td>
</tr>
<tr>
<td>Gold</td>
<td>(7)</td>
<td>6</td>
</tr>
<tr>
<td>Silver</td>
<td>(7)</td>
<td>(43)</td>
</tr>
<tr>
<td>Total</td>
<td>(515)</td>
<td>(37)</td>
</tr>
</tbody>
</table>

The Group's hedging policy only allows for effective hedge relationships to be established. The effective portion of hedge is recognised in OCI, while ineffective portion of hedge is recognised immediately in the Statement of Profit and Loss. The Group uses hypothetical derivative method to assess effectiveness. Ineffectiveness may arise on account of differences in critical terms and credit risk of the hedging instrument and the hedged item.

### 52. Offsetting

Financial instruments subject to offsetting, enforceable master netting arrangement and similar arrangement.

#### i. As at March 31, 2020:

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Gross amount</th>
<th>Gross amount set off in the balance sheet</th>
<th>Net amount in the balance sheet</th>
<th>Amounts subject to master netting</th>
<th>Financial Instrument collateral</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>2,509</td>
<td>(78)</td>
<td>2,431</td>
<td>(540)</td>
<td>-</td>
<td>1,891</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>21,303</td>
<td>-</td>
<td>21,303</td>
<td>-</td>
<td>-</td>
<td>21,303</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>9,401</td>
<td>-</td>
<td>9,401</td>
<td>-</td>
<td>-</td>
<td>9,401</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>1,102</td>
<td>-</td>
<td>1,102</td>
<td>-</td>
<td>-</td>
<td>1,102</td>
</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td>34,315</td>
<td>(78)</td>
<td>34,237</td>
<td>(540)</td>
<td>-</td>
<td>33,697</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Gross amount</th>
<th>Gross amount set off in the balance sheet</th>
<th>Net amount in the balance sheet</th>
<th>Amounts subject to master netting</th>
<th>Financial Instrument collateral</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives</td>
<td>2,433</td>
<td>(78)</td>
<td>2,355</td>
<td>(540)</td>
<td>(161)</td>
<td>1,654</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>18,300</td>
<td>-</td>
<td>18,300</td>
<td>-</td>
<td>-</td>
<td>18,300</td>
</tr>
<tr>
<td>Other financial Liabilities</td>
<td>3,045</td>
<td>-</td>
<td>3,045</td>
<td>-</td>
<td>-</td>
<td>3,045</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>23,778</td>
<td>(78)</td>
<td>23,700</td>
<td>(540)</td>
<td>(161)</td>
<td>22,999</td>
</tr>
</tbody>
</table>

#### ii. As at March 31, 2019:

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Gross amount</th>
<th>Gross amount set off in the balance sheet</th>
<th>Net amount in the balance sheet</th>
<th>Amounts subject to master netting</th>
<th>Financial Instrument collateral</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td>1,454</td>
<td>(40)</td>
<td>1,414</td>
<td>(249)</td>
<td>-</td>
<td>1,165</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>9,119</td>
<td>-</td>
<td>9,119</td>
<td>-</td>
<td>-</td>
<td>9,119</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>11,389</td>
<td>-</td>
<td>11,389</td>
<td>-</td>
<td>-</td>
<td>11,389</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>926</td>
<td>-</td>
<td>926</td>
<td>-</td>
<td>-</td>
<td>926</td>
</tr>
<tr>
<td><strong>Total Financial Assets</strong></td>
<td>22,888</td>
<td>(40)</td>
<td>22,848</td>
<td>(249)</td>
<td>-</td>
<td>22,599</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>Gross amount</th>
<th>Gross amount set off in the balance sheet</th>
<th>Net amount in the balance sheet</th>
<th>Amounts subject to master netting</th>
<th>Financial Instrument collateral</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives</td>
<td>1,231</td>
<td>(40)</td>
<td>1,191</td>
<td>(249)</td>
<td>(76)</td>
<td>866</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>20,725</td>
<td>-</td>
<td>20,725</td>
<td>-</td>
<td>-</td>
<td>20,725</td>
</tr>
<tr>
<td>Other financial Liabilities</td>
<td>3,080</td>
<td>-</td>
<td>3,080</td>
<td>-</td>
<td>-</td>
<td>3,080</td>
</tr>
<tr>
<td><strong>Total Financial Liabilities</strong></td>
<td>25,036</td>
<td>(40)</td>
<td>24,996</td>
<td>(249)</td>
<td>(76)</td>
<td>24,671</td>
</tr>
</tbody>
</table>
### 53. Interest in Other Entities

#### A. Subsidiaries:

The Group’s wholly-owned subsidiaries along with country of incorporation, place of operation and principal activities for the year ended March 31, 2020 and March 31, 2019 are set out below.

<table>
<thead>
<tr>
<th>Name of Entity</th>
<th>Principal Activity</th>
<th>Country of Incorporation</th>
<th>Place of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals &amp; Minerals Limited</td>
<td>Mining</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Renukeshwar Investments &amp; Finance Limited</td>
<td>Investment</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Renuka Investments &amp; Finance Limited</td>
<td>Investment</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Lucknow Finance Company Limited</td>
<td>Investment</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Dahej Harbour and Infrastructure Limited</td>
<td>Cargo services</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Utkal Alumina International Limited</td>
<td>Manufacturing</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Utkal Alumina Technical &amp; General Services Limited #</td>
<td>Technical Services</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Utkal Alumina Social Welfare Foundation</td>
<td>Welfare</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Mauda Energy Limited #</td>
<td>Power Generation</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Hindalco Guinea SARL #</td>
<td>Dormant</td>
<td>South Africa</td>
<td>South Africa</td>
</tr>
<tr>
<td>AV Minerals (Netherlands) N.V.</td>
<td>Investment</td>
<td>Netherlands</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Hindalco Brasil Industria Comercia de Alumina Ltda.</td>
<td>Subsidiary</td>
<td>Brazil</td>
<td>Brazil</td>
</tr>
<tr>
<td>AV Metals Inc.</td>
<td>Investment</td>
<td>Canada</td>
<td>Canada</td>
</tr>
<tr>
<td>Novelis Inc.</td>
<td>Manufacturing</td>
<td>Canada</td>
<td>Canada</td>
</tr>
<tr>
<td>Novelis do Brasil Ltda.</td>
<td>Manufacturing</td>
<td>Brazil</td>
<td>Brazil</td>
</tr>
<tr>
<td>Brecha Energetica Ltda.</td>
<td>Distribution Services</td>
<td>Brazil</td>
<td>Brazil</td>
</tr>
<tr>
<td>4260848 Canada Inc.</td>
<td>Management Company</td>
<td>Canada</td>
<td>Canada</td>
</tr>
<tr>
<td>4260856 Canada Inc.</td>
<td>Management Company</td>
<td>Canada</td>
<td>Canada</td>
</tr>
<tr>
<td>8018227 Canada Inc.</td>
<td>Management Company</td>
<td>Canada</td>
<td>Canada</td>
</tr>
<tr>
<td>Novelis (China) Aluminum Products Co. Ltd.</td>
<td>Manufacturing</td>
<td>China</td>
<td>China</td>
</tr>
<tr>
<td>Novelis (Shanghai) Aluminum Trading Company</td>
<td>Import and export aluminum</td>
<td>China</td>
<td>China</td>
</tr>
<tr>
<td>Novelis Lamines France S.A.S.</td>
<td>Distribution Services</td>
<td>France</td>
<td>France</td>
</tr>
<tr>
<td>Novelis PAE S.A.S.</td>
<td>Engineering</td>
<td>France</td>
<td>France</td>
</tr>
<tr>
<td>Novelis Alumina Beteiligungs GmbH</td>
<td>Dormant</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>Novelis Deutschland GmbH</td>
<td>Manufacturing</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>Novelis Sheet Ingot GmbH</td>
<td>Manufacturing</td>
<td>Germany</td>
<td>Germany</td>
</tr>
<tr>
<td>Novelis (India) Infotech Ltd.</td>
<td>Dormant</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Novelis Aluminum Holding Unlimited Company</td>
<td>Intermediate Subsidiary</td>
<td>Ireland</td>
<td>Ireland</td>
</tr>
<tr>
<td>Novelis Italia SpA</td>
<td>Manufacturing</td>
<td>Italy</td>
<td>Italy</td>
</tr>
<tr>
<td>Novelis de Mexico S.A. de C.V.</td>
<td>Dormant</td>
<td>Mexico</td>
<td>Mexico</td>
</tr>
<tr>
<td>Novelis Korea Limited</td>
<td>Manufacturing</td>
<td>South Korea</td>
<td>South Korea</td>
</tr>
<tr>
<td>Novelis AG</td>
<td>Management Company</td>
<td>Switzerland</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Novelis Switzerland S.A.</td>
<td>Manufacturing</td>
<td>Switzerland</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Novelis MEA Ltd.</td>
<td>Import and export aluminum</td>
<td>UAE</td>
<td>UAE</td>
</tr>
<tr>
<td>Novelis Europe Holdings Limited</td>
<td>Intermediate Subsidiary</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>Novelis UK Ltd.</td>
<td>Manufacturing</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>Novelis Services Limited</td>
<td>Management Company</td>
<td>UK</td>
<td>UK</td>
</tr>
<tr>
<td>Novelis Corporation</td>
<td>Manufacturing</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>Novelis South America Holdings LLC</td>
<td>Intermediate Subsidiary</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>Novelis Acquisitions LLC</td>
<td>Management Company</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>Novelis Holdings Inc.</td>
<td>Intermediate Subsidiary</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>Novelis Services (North America) Inc.</td>
<td>Cash management Service</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>Novelis Global Employment Organization, Inc.</td>
<td>Management Company</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>Novelis Services (Europe) Inc.</td>
<td>Management Company</td>
<td>USA</td>
<td>USA</td>
</tr>
<tr>
<td>Novelis Vietnam Company Limited</td>
<td>Manufacturing</td>
<td>Vietnam</td>
<td>Vietnam</td>
</tr>
</tbody>
</table>

# De-registered/Dissolved/Liquidated, etc., during the year ended March 31, 2019.
B. Non-Controlling Interests (NCI)

The Group has following non-wholly owned subsidiaries:

<table>
<thead>
<tr>
<th>Name of Entity</th>
<th>Principal Activity</th>
<th>Country of incorporation</th>
<th>Ownership interest held by the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suvas Holdings Limited</td>
<td>Power Generation</td>
<td>India</td>
<td>74.00% 74.00%</td>
</tr>
<tr>
<td>Hindalco-Almex Aerospace Limited</td>
<td>Manufacturing</td>
<td>India</td>
<td>97.18% 97.18%</td>
</tr>
<tr>
<td>East Coast Bauxite Mining Company Private Limited</td>
<td>Mining</td>
<td>India</td>
<td>74.00% 74.00%</td>
</tr>
</tbody>
</table>

None of above non-wholly owned subsidiary is material to the Group, therefore financial information about these non-wholly owned subsidiary are not disclosed separately.

C. Joint Operations

The Group is engaged in various arrangements on a joint basis with other companies. In assessing whether joint control exists for these arrangements, management evaluates the structure and legal framework and contracts governing the arrangement combined with an assessment of which decisions that significantly influence the return from the arrangement. The Group assesses whether joint arrangements are joint operations where the Group has rights to the assets and obligations for the liabilities related to the arrangement, or a joint venture where the Group has an interest in the net assets of the joint arrangement. Accordingly, the Group has identified following joint arrangements as joint operations:

<table>
<thead>
<tr>
<th>Name of the Joint Operations</th>
<th>Principal Activity</th>
<th>Country of Incorporation</th>
<th>Group’s proportion of ownership interest and voting power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mahan Coal Limited - (a)</td>
<td>Mining</td>
<td>India</td>
<td>50.00% 50.00%</td>
</tr>
<tr>
<td>Tubed Coal Mines Limited - (a)</td>
<td>Mining</td>
<td>India</td>
<td>60.00% 60.00%</td>
</tr>
<tr>
<td>Aluminium Norf GmbH - (b)(i)</td>
<td>Rolling and recycling</td>
<td>Germany</td>
<td>50.00% 50.00%</td>
</tr>
<tr>
<td>Logan Aluminium Inc. - (b)(ii)</td>
<td>Rolling and finishing</td>
<td>USA</td>
<td>40.00% 40.00%</td>
</tr>
<tr>
<td>Ulsan Aluminium Limited - (b) (iii)</td>
<td>Rolling and recycling</td>
<td>South Korea</td>
<td>50.00% 50.00%</td>
</tr>
<tr>
<td>Aluninfra Services SA - (b) (iv)</td>
<td>Service Company</td>
<td>Switzerland</td>
<td>50.00% 50.00%</td>
</tr>
</tbody>
</table>

(a) During previous year Mahan Coal Limited and Tubed Coal Mines Limited were classified as held for sale. During the current year these entities are reclassified as Joint operations and accordingly share in assets, liabilities, income and expenses in these entities are included in respective line items of the financial statements.

(b) Novelis Inc., a subsidiary of the Group, is engaged in following arrangements that are concluded to be joint operations.

i. Aluminium Norf GmbH (“Alunorf”), a large rolling mill in Germany, is a joint operation between Novelis and Hydro Aluminium Deutschland GmbH (“Hydro”). Both Novelis and Hydro hold a 50% interest in equity, profits and losses, shareholder voting and management control. Novelis shares control of the management of Alunorf with Hydro through a jointly-controlled shareholders’ committee and supervisory board. Management of Alunorf is led jointly by two managing executives, one nominated by Novelis and one nominated by Hydro. The primary objective of Alunorf is to provide tolling services (output) exclusively to Novelis and Hydro as the total output capacity is allocated between Novelis and Hydro. This indicates that both Novelis and Hydro get substantially all of the economic benefits from the assets of the joint arrangement. The major or sole sources of cash inflows for Alunorf are Novelis and Hydro, who are legally obliged to cover production costs.

ii. Logan Aluminium Inc. (“Logan”), an aluminum rolling mill in Kentucky, is a joint operation between Novelis and Tri-Arrows Aluminium Inc. (“Tri-Arrows”). Logan processes metal exclusively received from Novelis and Tri-Arrows and charges the respective partner a fee to cover expenses. This indicates that both Novelis and Tri-Arrows get substantially all of the economic benefits from the assets of the joint arrangement. Logan is thinly capitalized and relies on the regular reimbursement of costs and expenses by Novelis and Tri-Arrows to fund its operations, indicating that Novelis and Tri-Arrows have an obligation for the liabilities of the arrangement. Other than these contractually required reimbursements, Novelis does not provide other material support to Logan. Logan’s creditors do not have recourse to our general credit. Novelis has
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

a 40% voting interest; however, our participating interest in operations ranges from greater than 50% to approximately 55% depending on output. Novelis has joint ability to make decisions regarding Logan’s production operations and take our share of production and associated costs.

iii. In May 2017, Novelis Korea Ltd., a subsidiary of Novelis Inc., entered into definitive agreements with Kobe Steel Ltd. (“Kobe”), an unrelated party, under which Novelis Korea and Kobe Steel Ltd. will jointly own and operate Ulsan Aluminum, Ltd. (UAL), the joint arrangement. UAL is controlled by an equally represented Board of Directors in which neither entity has sole decision-making ability regarding production operations or other significant decisions. Furthermore, neither entity has the ability to take the majority share of production or associated costs over the life of the joint venture. UAL currently produces flat rolled aluminum products exclusively for Novelis and Kobe. As of March 31, 2020 each of the parties to the joint arrangement hold a 50% interest in the equity, profits and losses, shareholder voting, management control and rights to use the production capacity of the facility.

iv. In July 2018, Novelis Switzerland SA (Novelis Switzerland), a subsidiary of Novelis, entered into definitive agreements with Constellium Valais SA (Constellium), an unrelated party, under which Novelis Switzerland and Constellium will jointly own and operate Aluinfra Services SA (Aluinfra), the joint arrangement. Each of the parties to the joint arrangement hold a 50% interest in the equity, profits and losses, shareholder voting, management control and rights to use the production capacity of the facility.

D. Investments in Associates:
Details of Associates of the Group are set out below. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. The Group’s interests in these entities are accounted for using equity method in the Consolidated Financial statements.

<table>
<thead>
<tr>
<th>Name of Entity</th>
<th>Country of incorporation</th>
<th>Proportion of Ownership Interests (%)</th>
<th>Carrying Amount (` in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>31.03.2020</td>
<td>31.03.2019</td>
</tr>
<tr>
<td>Aditya Birla Science &amp; Technology Company Pvt. Ltd.</td>
<td>India</td>
<td>49.00%</td>
<td>49.00%</td>
</tr>
<tr>
<td>Aditya Birla Renewable Subsidiary Limited (ABRSL)</td>
<td>India</td>
<td>26.00%</td>
<td>26.00%</td>
</tr>
<tr>
<td>Aditya Birla Renewable Utkal Limited (ABRUL)</td>
<td>India</td>
<td>26.00%</td>
<td>26.00%</td>
</tr>
<tr>
<td>Deutsche Aluminum Verpachung Recycling GmbH #</td>
<td>Germany</td>
<td>30.00%</td>
<td>30.00%</td>
</tr>
<tr>
<td>France Aluminum Recyclage SPA. #</td>
<td>France</td>
<td>20.00%</td>
<td>20.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# No existing operations, hence not included in consolidation.

(a) Summarised financial information in respect of the Group’s associates are set out below. These information is based on their Ind-AS financial statements after alignment of Group’s accounting policies.

<table>
<thead>
<tr>
<th></th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ABSTCL</td>
<td>ABRSL</td>
</tr>
<tr>
<td>Non-current Assets</td>
<td>102</td>
<td>119</td>
</tr>
<tr>
<td>Current Assets</td>
<td>51</td>
<td>8</td>
</tr>
<tr>
<td>Non-current Liabilities</td>
<td>(7)</td>
<td>(99)</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>(107)</td>
<td>(2)</td>
</tr>
<tr>
<td>Net Assets</td>
<td>39</td>
<td>26</td>
</tr>
<tr>
<td>Group’s share of Net Assets of Associates</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>Dividend Received</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying Amount</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>Contingent Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of Contingent Liabilities of the associate</td>
<td>6</td>
<td>-</td>
</tr>
</tbody>
</table>
E. Interests in Joint Ventures:
Details of Joint Ventures of the Group are set out below. The joint ventures listed below have share capital consisting solely equity shares, which are directly held by the Group. The country of incorporation is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. No entity listed below is listed on any public stock exchange.

<table>
<thead>
<tr>
<th>Country of Incorporation</th>
<th>Proportion of Ownership Interests</th>
<th>Carrying Amount (` in Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MNH Shakti Limited (MNH Shakti)</td>
<td>15.00% 15.00%</td>
<td>13 13</td>
</tr>
<tr>
<td>Hydromine Global Minerals (GmbH) Limited (Hydromine)</td>
<td>45.00% 45.00%</td>
<td>1 1</td>
</tr>
</tbody>
</table>

During previous year investments in Hydromine Global Minerals GmbH Limited and MNH Shakti Limited were classified as held for sale and were accounted for accordingly in the Consolidated Financial Statements. During the current year, these investments are reclassified as Investment in Joint Ventures and accordingly equity accounting has been applied in the Consolidated Financial Statements.

F. Interest in Trusts:
The Group has following Trusts which are consolidated in these financial statements.

<table>
<thead>
<tr>
<th>Name of the Trust</th>
<th>Principal Activity</th>
<th>Country of Incorporation</th>
<th>Place of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindalco Jan Seva Trust</td>
<td>Welfare</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Copper Jan Seva Trust</td>
<td>Welfare</td>
<td>India</td>
<td>India</td>
</tr>
<tr>
<td>Utkal Alumina Jan Seva Trust</td>
<td>Welfare</td>
<td>India</td>
<td>India</td>
</tr>
</tbody>
</table>
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

54. Leases

A. Lease Liabilities against ROU Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease Liabilities - Non-Current</td>
<td>872</td>
<td>-</td>
</tr>
<tr>
<td>Lease Liabilities - Current</td>
<td>270</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,142</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

B. Transition Disclosures for Ind AS 116

Effective April 1, 2019, the Group has adopted Ind AS 116 “Lease” using modified retrospective approach in accordance with the modified retrospective transition method, the comparatives comparitives have not been retrospectively adjusted. The adoption of Ind AS 116 has the following impact.

(i) Lease Liabilities Reconciliation

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating lease commitments disclosed at March 31, 2019</td>
<td>822</td>
</tr>
<tr>
<td>Effect of Discounting</td>
<td>(125)</td>
</tr>
<tr>
<td>Finance lease Liabilities as at March 31, 2019</td>
<td>51</td>
</tr>
<tr>
<td>Recognition exemptions:</td>
<td></td>
</tr>
<tr>
<td>Leases of Low value assets</td>
<td>(24)</td>
</tr>
<tr>
<td>Lease with remaining lease term less than 12 months</td>
<td>(20)</td>
</tr>
<tr>
<td>Variable Lease payments</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments as a result of a different treatment of extension and termination option</td>
<td>131</td>
</tr>
<tr>
<td>Lease commitments not included in opening</td>
<td>172</td>
</tr>
<tr>
<td><strong>Total Lease Liabilities as at April 1, 2019</strong></td>
<td><strong>1,007</strong></td>
</tr>
</tbody>
</table>

Effect of change in accounting policy on the Financial Statements

(ii) Impact on Financial Statements

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Increase/ (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>(41)</td>
</tr>
<tr>
<td>Property, Plant and Equipment - Leasehold Land Reclass</td>
<td>(3)</td>
</tr>
<tr>
<td>Capital Work-in-Progress</td>
<td>(7)</td>
</tr>
<tr>
<td>Right-of-Use Assets</td>
<td>1,637</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>36</td>
</tr>
<tr>
<td>Other Non-Financial Assets</td>
<td>(698)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>924</strong></td>
</tr>
<tr>
<td>Lease Liabilities</td>
<td>1,007</td>
</tr>
<tr>
<td>Long Term Borrowings</td>
<td>(51)</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>(2)</td>
</tr>
<tr>
<td>Other Non-Financial Liabilities</td>
<td>(15)</td>
</tr>
<tr>
<td>Retained Earnings #</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>924</strong></td>
</tr>
</tbody>
</table>

# Deferred Tax impact recognised in Retained Earnings on transition date is ₹ 6 Crore.
(iii) The Group recognized ROU assets for the following asset categories

<table>
<thead>
<tr>
<th>Right-of-Use Assets Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Land</td>
<td>844</td>
</tr>
<tr>
<td>Waterfront</td>
<td>1</td>
</tr>
<tr>
<td>Railway Sidings</td>
<td>21</td>
</tr>
<tr>
<td>Stadium Suite</td>
<td>16</td>
</tr>
<tr>
<td>Buildings</td>
<td>362</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>30</td>
</tr>
<tr>
<td>Boats</td>
<td>2</td>
</tr>
<tr>
<td>Railway Wagons</td>
<td>159</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>152</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td></td>
</tr>
<tr>
<td>Office Equipment</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,593</strong></td>
</tr>
</tbody>
</table>

* Amount below rounding off convention.

(iv) The Group has reclassified Finance Lease Assets from Property, plant & equipment to Right of use assets pursuant to adoption of Ind AS 116

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Original Cost</th>
<th>Accumulated Depreciation</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Improvements</td>
<td>3</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Buildings</td>
<td>4</td>
<td>(1)</td>
<td>3</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>106</td>
<td>(92)</td>
<td>14</td>
</tr>
<tr>
<td>Vehicles and Aircraft</td>
<td>2</td>
<td>(2)</td>
<td>-</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>40</td>
<td>(17)</td>
<td>23</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>2</td>
<td>(2)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>157</strong></td>
<td><strong>(114)</strong></td>
<td><strong>43</strong></td>
</tr>
</tbody>
</table>

(v) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 8.94% in case of the Company and all its subsidiaries in India and 3.6% in case of Novelis and its subsidiaries.

(vi) Practical expedients used by the entity in adoption of Ind AS 116

a. The Group has not re-assessed whether a contract is or contains a lease at the date of initial application.

b. The Group has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.

c. Except for land leases, Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.

d. The Group has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as at the date of initial application.

e. The Group has relied on its previous assessment on whether leases are onerous.

f. The Group has carried forward the amount of the Finance Lease Assets (reclassified as ROU asset) and Lease Liability recognized under Ind AS 17 immediately before the date of initial application.

g. The Group has availed practical expedient of exempting re-assessment of previous sale and lease-back transactions.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(vii) The operating cash flows for the year ended March 31, 2020 has increased by ` 367 Crore and the financing cash flows have decreased by ` 367 Crore as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

(viii) The Group leases land, buildings including storage premises, plant and machinery (including material handling equipment), vehicles, boats and aircrafts certain furniture and fixtures, office equipment.

The Group has applied Ind AS 116 using Modified Approach, with the cumulative effect of initially applying the new standard recognized at the date of initial application in the following manner:

Leasehold Land and Railway Sidings – recognized ROU asset at an amount equal to the lease liability (discounted using the Company's incremental borrowing rate at the date of initial application based on the remaining lease term as at the date of initial application), adjusted by the amount of prepayments relating to that lease recognized in the balance sheet immediately before the date of initial application.

Other Assets – recognized ROU assets at its carrying amount as if the standard had been applied since the commencement date but discounted using the Company's incremental borrowing rate at the date of initial application based on the remaining lease term as at the date of initial application.

C. Operating Lease Disclosures under earlier Ind AS 17

The Group has entered into various leasing arrangements under operating lease.

(i) As a Lessee

The Group has entered in operating leases for land, buildings and equipment under both cancellable and non-cancellable operating leases. During the previous year ended March 31, 2019, the Group paid ₹ 321 Crore towards minimum lease payment.

Details of future aggregate minimum lease payments under non-cancellable operating leases:

<table>
<thead>
<tr>
<th></th>
<th>₹ in Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31.03.2019</td>
<td></td>
</tr>
<tr>
<td>Not later than 1 year</td>
<td>219</td>
</tr>
<tr>
<td>Later than 1 year and not later than 5 years</td>
<td>461</td>
</tr>
<tr>
<td>Later than 5 years</td>
<td>142</td>
</tr>
<tr>
<td></td>
<td>822</td>
</tr>
</tbody>
</table>

55. There was an incident in Red Mud (Bauxite Residue) storage area connected to the Alumina plant situated at Muri, Jharkhand, on April 9, 2019. The incident involved a spillage in the red mud cake storage area. The operations of the plant remained suspended following the incident. The unit is in the business of producing and supplying Aluminium Hydrate primarily to Aluminium smelters of the Company for captive consumption. The operation of the plant remained suspended till December 23, 2019. There was no material impact.

56. COVID-19 Impact on the Financial Statement:

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Certain plants of the Group which had shut down operations during lock-down period have since resumed operations in a phased manner.

The Group has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Intangible assets, Trade Receivables, Inventory, investments, other current and non-current assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the consolidated financial statements.

Management believes that it has taken into account all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the consolidated financial statements. Management is of the view that considering the nature of its business operations, existing customer and supplier
relationships and its market position, impact on its business operations, if any, arising from COVID-19 pandemic is not expected to be significant. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions.

57. Acquisition of Aleris Corporation (Aleris):
On April 14, 2020, the Group completed the acquisition of Aleris Corporation (Aleris), a global supplier of rolled aluminium products through its wholly owned subsidiary Novelis in USA for payments made or to be made of ₹ 21,575 Crore ($2.8 Billion). By virtue of this acquisition, Aleris has now become a wholly owned subsidiary of Novelis, USA.

As a result of the antitrust review processes required for approval of the acquisition, the Group is obligated to divest Aleris’ European and North American automotive assets, including its plants in Duffel, Belgium (Duffel) and Lewisport, Kentucky (Lewisport).

In November 2019, the Group entered into a definitive agreement with London-based Liberty House GHG (Liberty), for the sale of Duffel, which remains subject to approval from the State Administration for Market Regulation in China (SAMR) though the Group received conditional antitrust approval from SAMR in December 2019.

On March 9, 2020, the arbitrator assigned to resolve the dispute ruled in favour of the United States Department of Justice (DOJ). As a consequence of that ruling, we are now required to divest Lewisport, and we are currently in discussions with the DOJ regarding the allowed timeframe to consummate this sale.

Once a buyer for Lewisport has been identified, completion of the divestiture will be conditioned on the receipt of required regulatory approvals and will be subject to other customary closing conditions. Although the Group believes that the Lewisport asset group is marketable in its current condition and we intend to run a competitive sales process, there is no assurance that it will be possible to fully recover the investment made by the Group in these assets. In addition, in light of current adverse market conditions, the Group may not be able to complete the divestiture of Lewisport on favourable terms, in a timely manner, or at all. Delays or difficulties in divesting Duffel or Lewisport may result in additional expenditures of funds and management resources which would reduce the financial benefit that is expected from acquisition of Aleris and could have an adverse effect on the financial condition, results of operations and cash flows.

The Group is legally required to hold Duffel and Lewisport assets separately from the rest of Aleris assets and maintain them as viable and competitive till the sales are completed.

Presently, Novelis is in the process of finalizing the accounting for acquisition of Aleris, including allocation of purchase consideration to identifiable assets and liabilities.

The Group expects the acquisition to deliver a number of significant benefits by:
• Establishing a more diverse product portfolio, which will now include aerospace, beverage can, automotive, building and construction, commercial transportation and specialty products;
• Integrating complementary assets in Asia to include recycling, casting, rolling and finishing capabilities and allowing Novelis to more efficiently serve the growing Asia market; and
• Leveraging Novelis’ deep manufacturing and recycling expertise to optimize Aleris’ assets and unlock valuable synergies.

For acquisition related expenses, refer Note 39B (e) and Note 36 (c).

58. Gare Palma IV/4 (GP-4) and Gare Palma IV/5 (GP-5) coal mines were acquired by the Company through auction conducted by the Nominated Authority (NA) constituted under the Ministry of Coal, Government of India. The Company was required to achieve certain Efficiency Parameters and reach their Peak Rated Capacity (PRC) during 2015-16. Performance Security in the form of Performance Bank Guarantees (PBG) of ₹ 318 Crore and ₹ 369 Crore for GP-4 and GP-5, respectively, were provided by the Company to NA in this regard.
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Due to the various delays on the part of NA, PRC was achieved by the Company for both the mines during 2016-17. Having satisfied itself about achievement of Efficiency Parameters/PRC, NA returned the PBG in respect of GP-4 on June 19, 2017. However, in a volte face action, vide a letter dated 25th April, 2018, NA imposed a penalty equal to 20% of PBG amounting to ₹64 Crore for GP-4 and ₹74 Crore (refer Note15) for GP-5. As the PBG for GP-5 was still with NA, it also appropriated an amount equal to the penalty from the PBG.

The above actions were contested by the Company and the Hon’ble Chhattisgarh High Court at Bilaspur has already given its judgment in favour of the Company in the matter related to GP-5. As per the judgment, Hon’ble High Court has asked NA to refund the amount apportioned by them and return the PBG to the Company. Company’s appeal to quash the demand raised by NA in case of GP-4 is yet to be decided and is pending before the Mines Tribunal.

The Company further received two Show-Cause Notices dated December 3, 2019 from NA for shortfall in production of coal at the above mines for FY 2017-18 and FY 2018-19 compared to their respective mining plans. Through these notices, the NA asked the Company to show cause why action should not be taken against the Company for recovery of an amount equal to the appropriation amount for the said defaults provided in Clause 6.3 and 10.3 of the Coal Mine Development and Production Agreement.

The Company has furnished its replies to both the notices vide letters dated December 17, 2019 contesting that the NA has no right under the aforesaid clauses to recover any amount from the Performance Security.

The NA have neither issued any further letter to the Company nor raised any demand against the Company in this regard.

59. During the financial year ended March 31, 2020, the Group has reclassified following comparatives which do not have material impact on the Consolidated Financial Statements.

<table>
<thead>
<tr>
<th>Note No.</th>
<th>Note Description</th>
<th>Previously reported amount</th>
<th>Revised amount</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>₹ in Crore</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consolidated Balance Sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 11</td>
<td>Loans (Non-Curent)</td>
<td>73</td>
<td>15</td>
<td>-58</td>
</tr>
<tr>
<td>Note 13</td>
<td>Current Tax Asset (Net)</td>
<td>1,440</td>
<td>1,553</td>
<td>113</td>
</tr>
<tr>
<td>Note 14</td>
<td>Deferred Tax Asset (Net)</td>
<td>803</td>
<td>876</td>
<td>73</td>
</tr>
<tr>
<td>Note 12A</td>
<td>Other Financial Assets (Non-Current )</td>
<td>361</td>
<td>347</td>
<td>-14</td>
</tr>
<tr>
<td>Note 12B</td>
<td>Other Financial Assets (Current )</td>
<td>1,995</td>
<td>1,993</td>
<td>2</td>
</tr>
<tr>
<td>Note 15</td>
<td>Other Assets (Non-Current)</td>
<td>2,004</td>
<td>2,179</td>
<td>175</td>
</tr>
<tr>
<td>Note 17</td>
<td>Trade receivables</td>
<td>11,460</td>
<td>11,389</td>
<td>-71</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 13</td>
<td>Current Tax Liabilities (Net)</td>
<td>1,312</td>
<td>1,425</td>
<td>113</td>
</tr>
<tr>
<td>Note 14</td>
<td>Deferred Tax Liabilities (Net)</td>
<td>4,453</td>
<td>4,526</td>
<td>73</td>
</tr>
<tr>
<td>Note 26</td>
<td>Provisions (Non-current)</td>
<td>7,440</td>
<td>7,244</td>
<td>-196</td>
</tr>
<tr>
<td>Note 26</td>
<td>Provisions (Current)</td>
<td>1,978</td>
<td>1,924</td>
<td>54</td>
</tr>
<tr>
<td>Note 28</td>
<td>Contract Liabilities (Non Current)</td>
<td>-</td>
<td>19</td>
<td>-19</td>
</tr>
<tr>
<td>Note 27</td>
<td>Other Liabilities (Non Current)</td>
<td>1,276</td>
<td>1,311</td>
<td>35</td>
</tr>
<tr>
<td>Note 27</td>
<td>Other Liabilities (Current)</td>
<td>1,230</td>
<td>1,456</td>
<td>226</td>
</tr>
<tr>
<td></td>
<td></td>
<td>216</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 60. Additional information required under Schedule III of the Companies Act, 2013

**A. Information regarding subsidiaries, associates and joint ventures included in the consolidated financial statements for the year ended March 31, 2020:**

<table>
<thead>
<tr>
<th>₹ in Crore</th>
<th>Net Assets i.e. total Assets minus total Liabilities</th>
<th>Share in Profit/ (Loss)</th>
<th>Share in Other Comprehensive Income</th>
<th>Share in total Comprehensive Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As % of Consolidated Net Assets</td>
<td>Amount</td>
<td>As % of Consolidated Profit/ (Loss)</td>
<td>Amount</td>
</tr>
<tr>
<td><strong>Parent:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hindalco Industries Limited</td>
<td>78.00%</td>
<td>45,494</td>
<td>14.46%</td>
<td>620</td>
</tr>
<tr>
<td><strong>Subsidiaries:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indian:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minerals &amp; Minerals Limited</td>
<td>0.02%</td>
<td>11</td>
<td>0.05%</td>
<td>2</td>
</tr>
<tr>
<td>Utkal Alumina International Limited</td>
<td>12.66%</td>
<td>7,387</td>
<td>8.42%</td>
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</tr>
<tr>
<td>Utkal Alumina Social Welfare Foundation</td>
<td>0.00%</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Suvas Holdings Limited</td>
<td>0.05%</td>
<td>29</td>
<td>0.03%</td>
<td>1</td>
</tr>
<tr>
<td>Renuka Investments &amp; Finance Limited</td>
<td>15.0%</td>
<td>89</td>
<td>0.03%</td>
<td>1</td>
</tr>
<tr>
<td>Renukeshwar Investments &amp; Finance Limited</td>
<td>0.08%</td>
<td>48</td>
<td>-0.03%</td>
<td>(1)</td>
</tr>
<tr>
<td>Dahej Harbour and Infrastructure Limited</td>
<td>0.15%</td>
<td>89</td>
<td>0.56%</td>
<td>21</td>
</tr>
<tr>
<td>Lucknow Finance Company Limited</td>
<td>0.03%</td>
<td>16</td>
<td>0.05%</td>
<td>2</td>
</tr>
<tr>
<td>Hindalco-Almex Aerospace Limited</td>
<td>0.16%</td>
<td>93</td>
<td>0.24%</td>
<td>9</td>
</tr>
<tr>
<td>East Coast Bauxite Mining Company Private Ltd.</td>
<td>0.00%</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Foreign:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AV Minerals (Netherlands) N.V.</td>
<td>22.03%</td>
<td>12,848</td>
<td>-0.03%</td>
<td>(1)</td>
</tr>
<tr>
<td>AV Metals Inc.</td>
<td>20.20%</td>
<td>11,781</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Novelis Inc. (Consolidated)</td>
<td>37.47%</td>
<td>21,857</td>
<td>76.13%</td>
<td>2,688</td>
</tr>
<tr>
<td>Hindalco Do Brasil Industria Comercia de Alumina Ltda</td>
<td>0.14%</td>
<td>84</td>
<td>-1.51%</td>
<td>(57)</td>
</tr>
<tr>
<td><strong>Non-controlling Interest</strong></td>
<td>0.02%</td>
<td>10</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Associates:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indian:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aditya Birla Renewable Subsidiary Limited</td>
<td>0.01%</td>
<td>7</td>
<td>-0.03%</td>
<td>(1)</td>
</tr>
<tr>
<td>Aditya Birla Renewable Utkal Limited</td>
<td>0.00%</td>
<td>1</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Aditya Birla Science and Technology Company Private Limited</td>
<td>0.03%</td>
<td>19</td>
<td>0.08%</td>
<td>3</td>
</tr>
<tr>
<td><strong>Joint Ventures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indian:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MNH Shakti Limited (MNH Shakti)</td>
<td>0.02%</td>
<td>13</td>
<td>0.03%</td>
<td>1</td>
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<tr>
<td><strong>Foreign:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hydromine Global Minerals (Gmbh) Limited</td>
<td>0.00%</td>
<td>1</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Trusts:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indian:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hindalco Jan Seva Trust</td>
<td>0.00%</td>
<td>2</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td>Copper Jan Seva Trust</td>
<td>0.01%</td>
<td>3</td>
<td>-0.03%</td>
<td>(1)</td>
</tr>
<tr>
<td>Utkal Alumina Jan Seva Trust</td>
<td>0.00%</td>
<td>-</td>
<td>0.00%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Consolidation Adjustments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>171.24%</td>
<td>99,882</td>
<td>100.45%</td>
<td>3,784</td>
<td>139.11%</td>
</tr>
<tr>
<td>-71.24%</td>
<td>(41,555)</td>
<td>-0.45%</td>
<td>(17)</td>
<td>-39.11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.00%</td>
<td>58,327</td>
<td>100.00%</td>
<td>3,767</td>
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</table>
B. Information regarding subsidiaries, associates and joint ventures included in the consolidated financial statements for the year ended March 31, 2019:

<table>
<thead>
<tr>
<th>Parent:</th>
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</thead>
<tbody>
<tr>
<td>Hindalco Industries Limited</td>
<td>84.43% 48,558 21.93% 1,205 68.17% (1,681) -15.71% (476)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets i.e. total Assets minus total Liabilities</th>
<th>Share in Profit/(Loss)</th>
<th>Share in Other Comprehensive Income</th>
<th>Share in total Comprehensive Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>As % of Consolidated Net Assets</td>
<td>Amount</td>
<td>As % of Consolidated Profit/(Loss)</td>
<td>Amount</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parent:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hindalco Industries Limited</td>
<td>84.43% 48,558 21.93% 1,205 68.17% (1,681) -15.71% (476)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subsidiaries:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian:</td>
<td></td>
</tr>
<tr>
<td>Minerals &amp; Minerals Limited</td>
<td>0.01% 8 0.02% 1 0.00% - 0.03% -</td>
</tr>
<tr>
<td>Utkal Alumina International Limited</td>
<td>12.29% 7,066 25.93% 1,425 0.20% (5) 46.88% 1,420</td>
</tr>
<tr>
<td>Utkal Alumina Technical &amp; General Services Limited</td>
<td>0.00% - 0.00% - 0.00% -</td>
</tr>
<tr>
<td>Suvas Holdings Limited</td>
<td>0.05% 27 -0.04% (2) 0.00% -</td>
</tr>
<tr>
<td>Renuka Investments &amp; Finance Limited</td>
<td>0.25% 142 0.18% 10 0.69% (13) 1.06% 32</td>
</tr>
<tr>
<td>Renukeshwar Investments &amp; Finance Limited</td>
<td>0.15% 87 0.13% 8 1.06% 32</td>
</tr>
<tr>
<td>Dahej Harbour and Infrastructure Limited</td>
<td>0.15% 89 0.58% 32 0.00% -</td>
</tr>
<tr>
<td>Lucknow Finance Company Limited</td>
<td>0.03% 16 0.04% 2 0.00% -</td>
</tr>
<tr>
<td>Hindalco-Almex Aerospace Limited</td>
<td>0.15% 84 0.07% 4 0.00% -</td>
</tr>
<tr>
<td>East Coast Bauxite Mining Company Private Ltd.</td>
<td>0.00% - 0.00% - 0.00% -</td>
</tr>
<tr>
<td>Mauda Energy Limited</td>
<td>0.00% - 0.00% - 0.00% -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Foreign:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AV Minerals (Netherlands) N.V.</td>
<td>20.49% 11,784 -0.02% (1) 0.57% (14) -0.50% (15)</td>
</tr>
<tr>
<td>AV Metals Inc.</td>
<td>18.81% 10,818 0.00% - 0.08% (2) -0.07% (2)</td>
</tr>
<tr>
<td>Novelis Inc. (Consolidated)</td>
<td>31.55% 18,142 54.14% 2,975 55.23% (1,362) 53.25% 1,613</td>
</tr>
<tr>
<td>Hindalco Do Brasil Industria Comercia de Alumina Ltda</td>
<td>0.25% 145 -2.42% (133) 2.43% (60) -6.37% (193)</td>
</tr>
<tr>
<td>Hindalco Guinea SARL</td>
<td>0.00% - 0.00% - 0.00% -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Associates:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian:</td>
<td></td>
</tr>
<tr>
<td>Aditya Birla Renewable Subsidiary Limited</td>
<td>0.01% 6 0.00% - 0.00% -</td>
</tr>
<tr>
<td>Aditya Birla Science and Technology Company Private Limited</td>
<td>0.03% 15 0.00% - 0.00% -</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trusts:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian:</td>
<td></td>
</tr>
<tr>
<td>Hindalco Jan Seva Trust</td>
<td>0.00% 1 0.00% - 0.00% -</td>
</tr>
<tr>
<td>Copper Jan Seva Trust</td>
<td>0.01% 3 0.02% 1 0.00% -</td>
</tr>
</tbody>
</table>

| 168.67% 97,000 100.56% 5,526 127.90% (3,154) 78.31% 2,372 |
| Consolidation Adjustments | -68.67% (39,490) -0.56% (31) -27.90% 698 21.69% 657 |

| 100.00% 57,510 100.00% 5,495 100.00% (2,466) 100.00% 3,029 |

As per our report annexed.

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

Sumit Seth
Partner
Membership Number: 105869

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

Anil Malik
Company Secretary

For and on behalf of the Board of Hindalco Industries Limited

Satish Pai
Managing Director
DIN-06646758

K N Bhandari
Director
DIN-00026078

Place: Mumbai
Dated: June 12, 2020
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Subsidiary Company</th>
<th>Country</th>
<th>Reporting currency</th>
<th>Capital Reserves</th>
<th>Total Equity</th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Turnover/ Revenues</th>
<th>Profit/ (Loss) before Tax</th>
<th>Provision for Tax</th>
<th>Profit/ (Loss) after Tax</th>
<th>% of Share Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Minerals and Minerals Limited</td>
<td>India</td>
<td>INR</td>
<td>0.05</td>
<td>10.57</td>
<td>29.27</td>
<td>18.65</td>
<td>-</td>
<td>4.18</td>
<td>3.15</td>
<td>2.27</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Renuka Investments and Finance Limited</td>
<td>India</td>
<td>INR</td>
<td>9.25</td>
<td>80.06</td>
<td>89.99</td>
<td>0.68</td>
<td>75.27</td>
<td>4.18</td>
<td>3.13</td>
<td>0.88</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Utkal Alumina Social Welfare Foundation</td>
<td>India</td>
<td>INR</td>
<td>0.01</td>
<td>(0.04)</td>
<td>0.01</td>
<td>0.04</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>A V Minerals (Netherlands) N.V.</td>
<td>Netherlands</td>
<td>INR</td>
<td>(1,118.36)</td>
<td>11,997.11</td>
<td>0.23</td>
<td>-</td>
<td>-</td>
<td>(0.75)</td>
<td>-</td>
<td>(0.75)</td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>A V Metals Inc.</td>
<td>Canada</td>
<td>USD</td>
<td>-</td>
<td>1,563.66</td>
<td>1,563.66</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>Novelis Inc.</td>
<td>Canada</td>
<td>USD</td>
<td>-</td>
<td>3,481.84</td>
<td>2,567.29</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100</td>
</tr>
<tr>
<td>7</td>
<td>4260848 Canada Inc.*</td>
<td>Canada</td>
<td>USD</td>
<td>122.64</td>
<td>40.25</td>
<td>0.82</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100</td>
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<tr>
<td>8</td>
<td>4260856 Canada Inc.*</td>
<td>Canada</td>
<td>USD</td>
<td>183.97</td>
<td>58.88</td>
<td>1.23</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
<td>0.00</td>
<td>100</td>
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<tr>
<td>9</td>
<td>Novelis South America Holdings LLC*</td>
<td>USA</td>
<td>USD</td>
<td>4,886.63</td>
<td>5,770.86</td>
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<td>0.00</td>
<td>0.00</td>
<td>100</td>
</tr>
<tr>
<td>10</td>
<td>Novelis Korea Limited*</td>
<td>Korea</td>
<td>KRW</td>
<td>21,73,599.00</td>
<td>57,002.00</td>
<td>57,002.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100</td>
</tr>
</tbody>
</table>

Form AOC-1
Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" - Subsidiaries

Figures INR in Crore & Foreign Currency in Million

Greener. Stronger. Smarter 355
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Subsidiary Company</th>
<th>Country</th>
<th>Reporting currency</th>
<th>Capital</th>
<th>Reserves</th>
<th>Total Assets</th>
<th>Total Liabilities</th>
<th>Shares, Debenture, Bonds &amp; Others</th>
<th>Turnover/ Revenues</th>
<th>Profit/ (Loss) before Tax</th>
<th>Provision for Tax</th>
<th>Profit/ (Loss) after Tax</th>
<th>Proposed Dividend</th>
<th>% of Share Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>Novelis UK Ltd. *</td>
<td>England</td>
<td>INR</td>
<td>1,367.16</td>
<td>1,007.73</td>
<td>3,153.93</td>
<td>779.03</td>
<td>-</td>
<td>3,346.03</td>
<td>99.35</td>
<td>7.47</td>
<td>91.88</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>23</td>
<td>Novelis Services Limited *</td>
<td>England</td>
<td>INR</td>
<td>1514.47</td>
<td>2,229.08</td>
<td>3,751.30</td>
<td>7.75</td>
<td>-</td>
<td>2,399.99</td>
<td>262.06</td>
<td>22.48</td>
<td>239.58</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>24</td>
<td>Novelis Deutschland GmbH *</td>
<td>Germany</td>
<td>USD</td>
<td>1,001.67</td>
<td>37.07</td>
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<td>5,826.75</td>
<td>-</td>
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<td>181.79</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>25</td>
<td>Novelis Aluminium Beteiligungs GmbH *</td>
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<td>23.08</td>
<td>-</td>
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<tr>
<td>26</td>
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<td>Switzerland</td>
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<td>100</td>
</tr>
<tr>
<td>27</td>
<td>Novelis Laminés France SAS *</td>
<td>France</td>
<td>INR</td>
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<tr>
<td>28</td>
<td>Novelis Italia SPA *</td>
<td>Italy</td>
<td>EUR</td>
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<td>53.77</td>
<td>1,106.68</td>
<td>606.32</td>
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<td>(27.27)</td>
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<tr>
<td>29</td>
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<td>INR</td>
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<td>113.49</td>
<td>(19.96)</td>
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<td>100</td>
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<tr>
<td>30</td>
<td>Novelis PSE SAS *</td>
<td>France</td>
<td>EUR</td>
<td>3.10</td>
<td>3.16</td>
<td>6.53</td>
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<td>0.00</td>
<td>0.60</td>
<td>0.03</td>
<td>0.01</td>
<td>0.01</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>31</td>
<td>Novelis Europe Holdings Limited *</td>
<td>Switzerland</td>
<td>INR</td>
<td>369.91</td>
<td>1,887.13</td>
<td>5,688.11</td>
<td>3,431.07</td>
<td>0.00</td>
<td>- (327.01)</td>
<td>0.00</td>
<td>(327.01)</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>32</td>
<td>Novelis AG (Switzerland) *</td>
<td>Switzerland</td>
<td>CHF</td>
<td>50.00</td>
<td>3.16</td>
<td>6.53</td>
<td>0.27</td>
<td>0.00</td>
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<td>0.01</td>
<td>-</td>
<td>100</td>
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<tr>
<td>33</td>
<td>Novelis Holdings Inc. *</td>
<td>USA</td>
<td>USD</td>
<td>0.00</td>
<td>1362.70</td>
<td>2,503.21</td>
<td>1,140.51</td>
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<td>-</td>
<td>(77.67)</td>
<td>(11.49)</td>
<td>(66.18)</td>
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<td>34</td>
<td>8018227 Canada Inc. *</td>
<td>France</td>
<td>USD</td>
<td>0.00</td>
<td>0.00</td>
<td>(68.45)</td>
<td>2,554.09</td>
<td>0.00</td>
<td>0.00</td>
<td>(33.13)</td>
<td>6.07</td>
<td>(39.20)</td>
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<td>35</td>
<td>Novelis Acquisitions LLC *</td>
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<td>USD</td>
<td>0.00</td>
<td>253.67</td>
<td>344.53</td>
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<td>(46.12)</td>
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<td>(46.12)</td>
<td>-</td>
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<td>65.24</td>
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<td>(4.20)</td>
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<td>(4.20)</td>
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<td>37</td>
<td>Novelis MEA Ltd (Dubai) *</td>
<td>China</td>
<td>CNY</td>
<td>22.24</td>
<td>92.29</td>
<td>123.72</td>
<td>9.29</td>
<td>0.00</td>
<td>50.06</td>
<td>4.92</td>
<td>1.42</td>
<td>3.49</td>
<td>-</td>
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<tr>
<td>38</td>
<td>Novelis (Shanghai) Aluminum Trading Company *</td>
<td>China</td>
<td>CNY</td>
<td>23.56</td>
<td>98.17</td>
<td>131.62</td>
<td>9.88</td>
<td>0.00</td>
<td>50.95</td>
<td>5.00</td>
<td>1.45</td>
<td>3.55</td>
<td>-</td>
<td>100</td>
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<tr>
<td>39</td>
<td>Novelis (China) Aluminum Products Co. Ltd. *</td>
<td>China</td>
<td>CNY</td>
<td>901.36</td>
<td>214.95</td>
<td>2,676.60</td>
<td>1,369.29</td>
<td>0.00</td>
<td>1,446.63</td>
<td>149.23</td>
<td>37.55</td>
<td>111.68</td>
<td>-</td>
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<tr>
<td>40</td>
<td>Novelis Vietnam Company Limited (Vietnam) *</td>
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<td>VND</td>
<td>6.62</td>
<td>25.72</td>
<td>43.08</td>
<td>11.53</td>
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<td>0.00</td>
<td>0.00</td>
<td>(12,941.02)</td>
<td>113.64</td>
<td>13,054.66</td>
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<td>Sr. No.</td>
<td>Name of the Subsidiary Company</td>
<td>Country</td>
<td>Reporting currency</td>
<td>Capital</td>
<td>Reserves</td>
<td>Total Assets</td>
<td>Total Liabilities</td>
<td>Shares, Debenture, Bonds &amp; Others</td>
<td>Turnover/Revenues</td>
<td>Profit/(Loss) before Tax</td>
<td>Provision for Tax</td>
<td>Profit/(Loss) after Tax</td>
<td>Proposed Dividend</td>
<td>% of Share Holding</td>
</tr>
<tr>
<td>--------</td>
<td>---------------------------------------------------------------------</td>
<td>----------</td>
<td>-------------------</td>
<td>---------</td>
<td>----------</td>
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<td>-----------------</td>
<td>--------------------------</td>
<td>-----------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>41</td>
<td>Novelis Services (North America) Inc. *</td>
<td>USA</td>
<td>INR</td>
<td>0.00</td>
<td>0.00</td>
<td>0.04</td>
<td>0.04</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>-</td>
<td>0.00</td>
<td>100</td>
<td>100</td>
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<td>42</td>
<td>Novelis Services (Europe) Inc. *</td>
<td>USA</td>
<td>USD</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>-</td>
<td>0.00</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>43</td>
<td>Brecha Energetica Ltda *</td>
<td>Brazil</td>
<td>INR</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>-</td>
<td>0.00</td>
<td>99.99</td>
<td>100</td>
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<tr>
<td>44</td>
<td>Novelis Global Employment, Organization, Inc.</td>
<td>USA</td>
<td>USD</td>
<td>2.45</td>
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<td>28.74</td>
<td>26.40</td>
<td>0.00</td>
<td>0.73</td>
<td>0.15</td>
<td>0.57</td>
<td>0.00</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>45</td>
<td>Hindalco Do Brazil Industria Comercio de Alumina LTDA</td>
<td>Brazil</td>
<td>BRL</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>-</td>
<td>0.00</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

List of Subsidiaries which have been liquidated / amalgamated / sold during FY 19-20

Deutsche Aluminium Verpackung Recycling GmbH
France Aluminium Recyclage SA
# Subsidiary of AV MINERALS (Netherlands) N.V.
## Subsidiary of AV Metals Inc.
### Subsidiary of Utkal Alumina International Limited
% De-registered/Dissolved/Liquidated etc.
$ Under Liquidation
* Balance sheet items are translated at closing exchange rate and Profit/(Loss) items are translated at average exchange rate.
|| For Indian Entities Revenue includes Turnover + Other Income

List of Subsidiaries which are yet to commence operations.

<table>
<thead>
<tr>
<th>From Ccy</th>
<th>To Ccy</th>
<th>Avg spot rate for the year</th>
<th>Closing rate for 31st March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD</td>
<td>INR</td>
<td>48.3164</td>
<td>46.2455</td>
</tr>
<tr>
<td>BRL</td>
<td>INR</td>
<td>17.2809</td>
<td>14.4879</td>
</tr>
<tr>
<td>CAD</td>
<td>INR</td>
<td>53.3089</td>
<td>53.3089</td>
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<tr>
<td>CHF</td>
<td>INR</td>
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<td>78.1688</td>
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<tr>
<td>CNY</td>
<td>INR</td>
<td>10.1783</td>
<td>10.6379</td>
</tr>
<tr>
<td>EUR</td>
<td>INR</td>
<td>78.7817</td>
<td>82.9225</td>
</tr>
<tr>
<td>GBP</td>
<td>INR</td>
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<tr>
<td>JPY</td>
<td>INR</td>
<td>0.6522</td>
<td>0.6956</td>
</tr>
<tr>
<td>NOK</td>
<td>INR</td>
<td>7.0163</td>
<td>7.0037</td>
</tr>
<tr>
<td>SEK</td>
<td>INR</td>
<td>7.4030</td>
<td>7.5807</td>
</tr>
<tr>
<td>SGD</td>
<td>INR</td>
<td>51.6894</td>
<td>52.9969</td>
</tr>
<tr>
<td>ZAR</td>
<td>INR</td>
<td>4.8020</td>
<td>4.2318</td>
</tr>
<tr>
<td>KRW</td>
<td>INR</td>
<td>0.0600</td>
<td>0.0618</td>
</tr>
<tr>
<td>VND</td>
<td>INR</td>
<td>0.0030</td>
<td>0.0032</td>
</tr>
<tr>
<td>USD</td>
<td>INR</td>
<td>70.8991</td>
<td>75.3430</td>
</tr>
</tbody>
</table>

From Ccy | To Ccy | Avg spot rate for the year | Closing rate for 31st March 2019 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL</td>
<td>USD</td>
<td>0.2440</td>
<td>0.1923</td>
</tr>
<tr>
<td>CHF</td>
<td>USD</td>
<td>1.0151</td>
<td>1.0756</td>
</tr>
<tr>
<td>CNY</td>
<td>USD</td>
<td>0.1436</td>
<td>0.1412</td>
</tr>
<tr>
<td>EUR</td>
<td>USD</td>
<td>1.1113</td>
<td>1.1068</td>
</tr>
<tr>
<td>GBP</td>
<td>USD</td>
<td>1.2716</td>
<td>1.2421</td>
</tr>
<tr>
<td>JPY</td>
<td>USD</td>
<td>0.0992</td>
<td>0.0933</td>
</tr>
<tr>
<td>SEK</td>
<td>USD</td>
<td>0.1044</td>
<td>0.1006</td>
</tr>
<tr>
<td>SGD</td>
<td>USD</td>
<td>0.7292</td>
<td>0.7034</td>
</tr>
</tbody>
</table>

List of Subsidiaries which are yet to commence operations:

East Coast Bauxite Mining Co.Pvt.Ltd

<table>
<thead>
<tr>
<th>From Ccy</th>
<th>To Ccy</th>
<th>Avg spot rate for the year</th>
<th>Closing rate for 31st March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL</td>
<td>USD</td>
<td>0.2440</td>
<td>0.1923</td>
</tr>
<tr>
<td>CHF</td>
<td>USD</td>
<td>1.0151</td>
<td>1.0756</td>
</tr>
<tr>
<td>CNY</td>
<td>USD</td>
<td>0.1436</td>
<td>0.1412</td>
</tr>
<tr>
<td>EUR</td>
<td>USD</td>
<td>1.1113</td>
<td>1.1068</td>
</tr>
<tr>
<td>GBP</td>
<td>USD</td>
<td>1.2716</td>
<td>1.2421</td>
</tr>
<tr>
<td>JPY</td>
<td>USD</td>
<td>0.0992</td>
<td>0.0933</td>
</tr>
<tr>
<td>SEK</td>
<td>USD</td>
<td>0.1044</td>
<td>0.1006</td>
</tr>
<tr>
<td>SGD</td>
<td>USD</td>
<td>0.7292</td>
<td>0.7034</td>
</tr>
</tbody>
</table>

List of Subsidiaries which have been liquidated / amalgamated / sold during FY 19-20

<table>
<thead>
<tr>
<th>From Ccy</th>
<th>To Ccy</th>
<th>Avg spot rate for the year</th>
<th>Closing rate for 31st March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRL</td>
<td>USD</td>
<td>0.2440</td>
<td>0.1923</td>
</tr>
<tr>
<td>CHF</td>
<td>USD</td>
<td>1.0151</td>
<td>1.0756</td>
</tr>
<tr>
<td>CNY</td>
<td>USD</td>
<td>0.1436</td>
<td>0.1412</td>
</tr>
<tr>
<td>EUR</td>
<td>USD</td>
<td>1.1113</td>
<td>1.1068</td>
</tr>
<tr>
<td>GBP</td>
<td>USD</td>
<td>1.2716</td>
<td>1.2421</td>
</tr>
<tr>
<td>JPY</td>
<td>USD</td>
<td>0.0992</td>
<td>0.0933</td>
</tr>
<tr>
<td>SEK</td>
<td>USD</td>
<td>0.1044</td>
<td>0.1006</td>
</tr>
<tr>
<td>SGD</td>
<td>USD</td>
<td>0.7292</td>
<td>0.7034</td>
</tr>
</tbody>
</table>

List of Subsidiaries which are yet to commence operations:

East Coast Bauxite Mining Co.Pvt.Ltd
### Part “B” Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Associates / Joint Ventures</th>
<th>Shares of Associate/Joint Ventures held by the company on the year end</th>
<th>Networth to Shareholding as per latest audited balance sheet (` in Crore)</th>
<th>Profit/Loss for the year</th>
<th>Description of how there is significant influence</th>
<th>Base on why the associate/joint venture is not considered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Latest Audited Balance Sheet Date</td>
<td>Number of shares</td>
<td>Amount of investment (` in crore)</td>
<td>Extent of Holding% attributable</td>
<td>Considered in consolidation (` in Crore)</td>
</tr>
<tr>
<td>Associates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Aditya Birla Science and Technology Company Private Limited</td>
<td>31-Mar-20</td>
<td>98,00,000</td>
<td>9.80</td>
<td>49.00</td>
<td>18.38</td>
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<tr>
<td>2</td>
<td>Aditya Birla Renewables Subsidiary Ltd</td>
<td>31-Mar-20</td>
<td>68,95,200</td>
<td>6.90</td>
<td>26.00</td>
<td>6.34</td>
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<tr>
<td>3</td>
<td>Aditya Birla Renewable Utkal Limited (ABRUL)</td>
<td>31-Mar-20</td>
<td>12,74,000</td>
<td>1.27</td>
<td>26.00</td>
<td>1.30</td>
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<tr>
<td>4</td>
<td>Associates of Novelis Inc.©</td>
<td>31-Dec-19</td>
<td>3,001.00</td>
<td>2.09</td>
<td>(1.62)</td>
<td>(0.01)</td>
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</table>

**Joint Ventures**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Associates / Joint Ventures</th>
<th>Shares of Associate/Joint Ventures held by the company on the year end</th>
<th>Networth to Shareholding as per latest audited balance sheet (` in Crore)</th>
<th>Profit/Loss for the year</th>
<th>Description of how there is significant influence</th>
<th>Base on why the associate/joint venture is not considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hydromine Global Minerals (GMBH) Limited</td>
<td>31-Mar-18</td>
<td>66,562</td>
<td>1.37</td>
<td>45.00</td>
<td>30.45</td>
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<tr>
<td>2</td>
<td>MNH Shakti Limited</td>
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<td>1,27,65,000</td>
<td>12.77</td>
<td>15.00</td>
<td>13.41</td>
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</table>

**Joint Operations**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Associates / Joint Ventures</th>
<th>Shares of Associate/Joint Ventures held by the company on the year end</th>
<th>Networth to Shareholding as per latest audited balance sheet (` in Crore)</th>
<th>Profit/Loss for the year</th>
<th>Description of how there is significant influence</th>
<th>Base on why the associate/joint venture is not considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mahan Coal Limited</td>
<td>31-Mar-20</td>
<td>4,12,50,000</td>
<td>19.25</td>
<td>50.00</td>
<td>11.57</td>
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<tr>
<td>2</td>
<td>Tubed Coal Mines Limited</td>
<td>31-Mar-20</td>
<td>1,52,96,700</td>
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<td>60.00</td>
<td>1.72</td>
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<td>3</td>
<td>Associates of Novelis Inc.©</td>
<td>31-Dec-19</td>
<td>10,041.00</td>
<td>1842.73</td>
<td>(273.32)</td>
<td>15.84</td>
</tr>
</tbody>
</table>

- **Note A**: There is significant influence due to percentage holding of share capital
- **Note B**: Non-availability of financial statements
- **Note C**: The Group has joint control over the joint arrangements

For and on behalf of the Board of Hindalco Industries Limited

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

**Satish Pai**
Managing Director
DIN-06646758

**Anil Malik**
Company Secretary
DIN-00026078

**K N Bhandari**
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020
# Glossary of Terms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
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<td>$</td>
<td>United States Dollar</td>
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<tr>
<td>ABG</td>
<td>Aditya Birla Group</td>
</tr>
<tr>
<td>Al/Al</td>
<td>Aluminium</td>
</tr>
<tr>
<td>BEE</td>
<td>Bureau of Energy Efficiency</td>
</tr>
<tr>
<td>Bn</td>
<td>Billion</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compounded Annual Growth Rate</td>
</tr>
<tr>
<td>CCR</td>
<td>Copper Continuous Cast Rods</td>
</tr>
<tr>
<td>CII</td>
<td>Confederation of Indian Industry</td>
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<tr>
<td>CIL</td>
<td>Coal India Limited</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<tr>
<td>Cu</td>
<td>Copper</td>
</tr>
<tr>
<td>CY</td>
<td>Calendar Year</td>
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<td>DAP</td>
<td>Di Ammonium Phosphate</td>
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<tr>
<td>EBITDA</td>
<td>Earnings Before Interest, Tax, Depreciation and Amortisation</td>
</tr>
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<td>Electric Vehicles</td>
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<tr>
<td>FICCI</td>
<td>Federation of Indian Chambers of Commerce &amp; Industry</td>
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<td>FRP</td>
<td>Flat Rolled Products</td>
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<td>FY</td>
<td>Financial Year</td>
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<td>Green House Gas</td>
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<td>GigaJoule</td>
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<tr>
<td>GW</td>
<td>Giga Watt</td>
</tr>
<tr>
<td>HIL</td>
<td>Hindalco Industries Limited</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>IIT</td>
<td>Indian Institute of Technology</td>
</tr>
<tr>
<td>kA</td>
<td>Kilo Ampere</td>
</tr>
<tr>
<td>Kt</td>
<td>Kilo Tonnes</td>
</tr>
<tr>
<td>LME</td>
<td>London Metal Exchange</td>
</tr>
<tr>
<td>LTISR</td>
<td>Loss Time Injury Severity Rate</td>
</tr>
<tr>
<td>M³/t</td>
<td>Cubic Meters per tonne</td>
</tr>
<tr>
<td>Mn</td>
<td>Million</td>
</tr>
<tr>
<td>Mtpa</td>
<td>Million Tonnes per Annum</td>
</tr>
<tr>
<td>Mt</td>
<td>Million Tonnes</td>
</tr>
<tr>
<td>MW</td>
<td>Mega Watt</td>
</tr>
<tr>
<td>PAT</td>
<td>Profit After Tax</td>
</tr>
<tr>
<td>PBT</td>
<td>Profit Before Tax</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research &amp; Development</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strength, Weakness, Opportunities and Threats</td>
</tr>
<tr>
<td>Tc/Rc</td>
<td>Treatment Charge and Refining Charge</td>
</tr>
<tr>
<td>US</td>
<td>The United States of America</td>
</tr>
<tr>
<td>VAP</td>
<td>Value Added Products</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>NITI</td>
<td>National Institute for Transforming India</td>
</tr>
<tr>
<td>JNARDDC</td>
<td>Jawaharlal Nehru Aluminium Research Development and Design Centre</td>
</tr>
<tr>
<td>IMMT</td>
<td>Institute of Minerals and Materials Technology</td>
</tr>
<tr>
<td>ARAI</td>
<td>Automobile Research Association of India</td>
</tr>
<tr>
<td>ISRO</td>
<td>Indian Space Research Organisation</td>
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<tr>
<td>EPS</td>
<td>Earning per Share</td>
</tr>
<tr>
<td>ZLD</td>
<td>Zero Liquid Discharge</td>
</tr>
<tr>
<td>DSIR</td>
<td>Department of Scientific &amp; Industrial Research</td>
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<tr>
<td>M&amp;A</td>
<td>Mergers and Acquisitions</td>
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<tr>
<td>WAH</td>
<td>Women's Conclave for Hindalco</td>
</tr>
<tr>
<td>HTU</td>
<td>Hindalco Technical University</td>
</tr>
<tr>
<td>AR</td>
<td>Augmented Reality</td>
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<tr>
<td>VR</td>
<td>Virtual Reality</td>
</tr>
<tr>
<td>AI</td>
<td>Artificial Intelligence</td>
</tr>
<tr>
<td>INCAL</td>
<td>International Conference on Aluminium and Exhibition</td>
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<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>HFQ</td>
<td>Hot Form Quench</td>
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<tr>
<td>RAV</td>
<td>Recreational Active Vehicle</td>
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<tr>
<td>SG&amp;A</td>
<td>Selling General and Administrative</td>
</tr>
<tr>
<td>NPS</td>
<td>Net Promoter Score</td>
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<tr>
<td>OTIF</td>
<td>On time in Full</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>CIGRE</td>
<td>Conseil International des Grands Réseaux Électriques</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>NAMC</td>
<td>National Award for Manufacturing Competitiveness</td>
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</table>