Novelis Aluminium Holding Unlimited Company

Directors' Report and Financial Statements

For the financial year ended 31 March 2020

Registered Number: 316911

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DIRECTORS AND OTHER INFORMATION

Board of Directors at 30 April 2020

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

Secretary

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

Registered Office

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

Registered Number: 316911

Solicitor

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

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

DIRECTORS' REPORT

The directors submit their report and financial statements of Novelis Aluminium Holding Unlimited Company (the "Company") for the year ended 31 March 2020.

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

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

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

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

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

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

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

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

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

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

Details of its subsidiary undertakings are disclosed in Note 19.

Events since the end of the financial year

On April 14, 2020, Novelis Group completed the acquisition of Aleris. As a combined business, Novelis is now even better positioned to meet growing customer demand for sustainable aluminum by enabling Novelis to expand its product portfolio.

DIRECTORS' REPORT - continued

Business review

	€
The loss for the financial year amounted to:	15,227,400

The results for the current financial year are driven by results of the 100% subsidiary Novelis Deutschland GmbH and its 100% subsidiary, Novelis Sheet Ingot GmbH.

The lower gain from the profit transfer arising in Novelis Deutschland GmbH in the financial year ended 31 March 2020 (€ 23.1 million) compared to financial year 2019 (€ 30.0 million) are attributed to a number of factors, although the gross margin is higher due to lower operating costs and the amortization of undisclosed reserves due to a lower metal price than in the previous year, the financial result of Novelis Deutschland GmbH deteriorated by € 6.3 million to € - 32.5 million (previous year € - 26.2 million) due to the higher depreciation of the financial asset in Italy (€ 10.0 million) and higher expenses from the loss transfer from its 100% subsidiary Novelis Sheet Ingot GmbH. Due to lower tolling prices and higher costs of goods sold production targets for ingot production were not achieved in FY20. The positive trend in production development Q1- Q3 was in line with expectations. In Q4 the positive trend could not be continued due to technical problems at the melting furnaces and the decline in orders.

In addition, the total taxation amount in financial year 2020 increased compared to financial year 2019.The main difference between the tax expense in FY19 and FY20 is € 6.8 million of a tax benefit which arose in FY19 due to an adjustment on prior year taxes based on a tax audit of FY09-FY12. The remaining difference of € 3.2 million is caused by lower Irish GAAP income and variances in the temporary and permanent items. These variances result in a significant higher taxable income in FY20 compared to FY19.

The directors do not propose the payment of a dividend for 2020 (2019: nil).

Political contributions

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

Future plans and developments

For the coming fiscal year the results of Novelis Deutschland GmbH are expected to decrease slightly mainly due to higher import volume of coils from Sierre with higher conversion prices which it will be unable to pass to customers. Operating EBITDA is expected to decrease by an estimated € 15 to 20 million. For the following years we expect further improvements in Ebitda with growing conversion premiums mainly in Can.

The future business is also supported by the Focused 5 guidelines, the global short-term strategy of Novelis Inc. The five themes - safety, customer centricity, quality, operational excellence and return on capital employed are expected to be the key levers that will help to improve the Company's results.

Going concern

The directors have considered the market outlook above and have also considered the company's net current liabilities of €68,474,784 at 31 March 2020 (made up of debtors due in less than one year amounting to €41,569,462 (€93 million of debtors in note 12 are not due until 2024) less €110,044,246 of current liabilities). At 31 March 2020, current liabilities include €60 million payable to its 100 % subsidiary Novelis Deutschland GmbH on 17 March 2021 which the company, as shareholder, has the ability to defer if necessary and €39,480,954 relating to cash pooling liabilities which could be offset against cash pooling receivables.

The directors of Novelis Aluminium Holding Unlimited Company, having made appropriate enquiries, consider that adequate resources exist to continue in operational existence in the foreseeable future and, therefore, consider it appropriate to adopt the going concern basis for the year ended 31 March 2020.

DIRECTORS' REPORT - continued

Market Outlook

Following the COVID-19 propagation in Europe we have seen the following effect on the end user markets:

1. There was an immediate shut down of the main Automotive producers in all the European countries: This was done unilaterally by the car makers in order to minimize the operating expenditure and capital employed during the lock down and it was not linked to a weak demand from the consumers. To be noted that Ford in USA had record sales in the last week before the lock down because the consumer had a strong desire to change their car as soon as possible before the enactment of mobility restrictions. The shutdown is expected to end in Q1 FY21 also thanks to the re-opening in China that will boost the export sales of all the carmakers. It is also interesting to see how quickly the demand is recovering China also boost by the psychological effect called “revenge spending”. In addition, some experts think that COVID-19 will probably reduce the demand of public transport and might even increase the demand of private cars which would result in a further growth of aluminum demand.
2. There has been strong demand of aluminum for can, food, coffee, pharmaceutical and specialties applications:
    a. The lockdown seems to have a positive effect on beers and soft drinks consumption as they are considered a good example of comfort food triggering a higher consumption when people are under stress.
    b. The increase of food with home delivery increases the utilization of aluminum packaging.
    c. Increased consumption of coffee capsules vs coffee in grains served in the bars, with a positive effect on aluminum consumption
    d. Pharmaceutical applications as well as all the equipment related to hospital like refrigeration, air cooling and purification, panels, barriers had an increase in the demand.
3. The second biggest hot rolling plant, the Constellium plant in Neuf Brisach has been closed at the end of March. This caused a huge drop of the available hot rolling capacity, especially in the can business. As a consequence, all the can makers asked Novelis to immediately increase the order entry with delivery in Q1 FY21. As a consequence we have seen a massive increase of the can demand in Norf and Goettingen.

Novelis Plants Outlook

The outlook for Novelis is as follows:

- Norf: fully operating with strong demand from Can
- Goettingen: fully operating with strong demand from Can
- Ohle: fully operating with strong demand from Food, coffee and Specialties applications
- Nachterstedt: limited production of Auto lines but strong demand from Can. Auto lines will restart on April 27th.
- SIG: fully operating with strong demand from Can

All plants implemented COVID-19 countermeasures well in advance compared with local rules and Environment Health and Safety (EHS) is constantly working to improve EHS conditions in all the German plants. In addition Novelis has already implemented cost containment measures such as short time working, T-Zug, forced holidays to minimize the fixed cost for the period of the closing.

Management Statement

Novelis has a solid position in terms of cash with more than 2 billion dollar of liquidity available worldwide and this would be sufficient even in case of prolonged stagnation of demand in the Automotive business. Further, Novelis Europe is confident, that its customers are able the settle their financial obligations. At the end of March the overdues for Novelis Europe were at record low level.
Regarding the key markets of Novelis Germany this is the expected outlook:

1) In the medium to long term, management believes that demand of aluminum for the Automotive business will continue to grow considering the continuous focus on CO2 emissions and environmental sustainability which makes aluminum the material of choice for the next generation of vehicles. In the short term though, we expect a slow ramp up of volumes trailing behind plan and previous years volumes despite the increased exports to Asia. The financial impact of lower volumes will be offset to a good portion by shift reduction and other cost savings. Nachterstedt is in a position to absorb lower volumes by operating at lower costs level while ready to resume full capacity almost immediately.
2) The Can and food market will continue to be very strong thanks to the progressive growth versus plastic, thanks to the attractiveness of aluminum in terms of environmental sustainability.

DIRECTORS' REPORT - continued

3) In Specialties it is also expected a continuous growth of aluminum in niche markets such as coffee capsules, flexible tubes and cables with a very high profitability. On the other side Novelis has just decided to divest unprofitable businesses such as Luedenscheid foil.

Ongoing cost management and monitoring of implemented cost savings measures (as outlined above) is expected to minimize fix costs for the closing and ramp up period.

Principal risks and uncertainties

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

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

Added to this is the increased uncertainty caused by the effects of the outbreak of the Corona pandemic and the impact on the global economy. For the year 2020 (pre COVID-19), we see the global economic momentum at around 3.1 %, which is slightly below the previous year's level. However, the euro zone and the USA are below the potential of 2019 and growth in China is likely to slow down slightly. (Source: Deutsche Bank Research, Outlook 2020). However, these predictions are very uncertain as the impact of Covid-19 on the global economy is not clear.

DIRECTORS' REPORT - continued

Directors

The names of the persons who were directors at any time during the year ended 31 March 2020 are set out below. Except where indicated, they served for the entire year.

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

Statutory auditors

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

Directors' and secretary's interests

The directors and secretary in office at 31 March 2020 had no beneficial interests, including family interests, in the share capital of the Company or any group undertaking at 31 March 2019 and at 31 March 2020.

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

Statement of disclosure to the Company's Statutory Auditors

Each of the directors in office at the date of the approval of the directors' report confirms that:

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

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

Eric Tonkowski
Director

Sabine Trautwein
Director

30 April 2020
Date of board meeting

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOVELIS ALUMINIUM HOLDING COMPANY

PROFIT AND LOSS ACCOUNT
For the financial year ended 31 March 2020

	Notes	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Administrative expenses	4	(2,688,353)	(2,122,863)
Other operating expenses		(124,615)	(122,208)
Other operating income	5	25,917,112	32,657,104
Operating profit	6	23,104,144	30,412,033
Interest income	7	6,100,000	6,767,080
Interest expense	8	(30,025,672)	(29,562,337)
Loss / Profit before taxation		(821,528)	7,616,776
Taxation	9	(14,405,872)	(4,428,043)
Loss / Profit for the financial year		(15,227,400)	3,188,733

The notes on pages 15 to 33 form part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME
For the financial year ended 31 March 2020

	Notes	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Loss / Profit for the year		(15,227,400)	3,188,733
Actuarial (loss) / gain in respect of pension scheme	16	(495,296)	(535,216)
Deferred tax on actuarial loss	13	155,368	165,990
Total comprehensive expense / income for the year		(15,567,328)	2,819,507

BALANCE SHEET
As at 31 March 2020

	Notes	31 March 2020 €	31 March 2019 €
Fixed assets			
Tangible assets	10	106	234
Financial assets	11	711,540,449	711,540,449
		711,540,555	711,540,683
Current assets			
Debtors and prepayments (including € 93,000,000 (2019: € 100,000,000) due after 1 year)	12	134,569,462	143,610,688
Deferred tax asset	13	17,808,337	25,221,443
		152,377,799	168,832,131
Creditors - amounts falling due within one year	14	(110,044,246)	(114,031,914)
Net current assets		42,333,553	54,800,217
Total assets less current liabilities		753,874,108	766,340,899
Creditors - amounts falling due after more than one year	15	(470,990,420)	(468,247,883)
Pension liability	16	(6,834,000)	(6,476,000)
Net assets		276,049,688	291,617,016
Shareholders' funds			
Called up share capital – presented as equity	17	3,000,000	3,000,000
Capital contribution	18	214,096,576	214,096,576
Profit and loss account		58,953,112	74,520,440
		276,049,688	291,617,016

The notes on pages 15 to 33 form part of these financial statements.

On behalf of the Board

Eric Tonkowski
Director

Sabine Trautwein
Director

STATEMENT OF CHANGES IN EQUITY
31 March 2020

	Note	Called up share capital	Capital contribution	Profit and loss account	Total
Balance at 1st April 2018	**17**	**3,000,000**	**214,096,576**	**71,700,934**	**288,797,510**
Loss for the year		-	-	3,188,733	3,188,733
Other comprehensive income		-	-	(369,227)	(369,227)
Total comprehensive expense for the year		-	-	*2,819,506*	*2,819,506*
Balance as at 31st March 2019		**3,000,000**	**214,096,576**	**74,520,440**	**291,617,016**
Balance at 1st April 2019		**3,000,000**	**214,096,576**	**74,520,440**	**291,617,016**
Profit for the year		-	-	(15,227,400)	(15,227,400)
Other comprehensive expense		-	-	(339,928)	(339,928)
Total comprehensive income for the year		-	-	*(15,567,328)*	*(15,567,328)*
Balance as at 31st March 2020		**3,000,000**	**214,096,576**	**58,953,112**	**276,049,688**

NOTES TO THE FINANCIAL STATEMENTS -continued

1 General information

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

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

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

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

These financial statements are the company's separate financial statements.

2 Significant accounting policies

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

Basis of preparation

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

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

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

Statement of compliance

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

Going concern

The directors have considered the market outlook above and have also considered the company's net current liabilities of €68,474,784 at 31 March 2020 (made up of debtors due in less than one year

NOTES TO THE FINANCIAL STATEMENTS -continued

amounting to €41,569,462 (€93 million of debtors in note 12 are not due until 2024) less €110,044,246 of current liabilities). At 31 March 2020, current liabilities include €60 million payable to its 100 % subsidiary Novelis Deutschland GmbH on 17 March 2021, which the company, as shareholder, has the ability to defer if ncessary, and €39,480,954 relating to cash pooling which could be offset against cash pooling receivables.

The directors of Novelis Aluminium Holding Unlimited Company, having made appropriate enquiries, consider that adequate resources exist to continue in operational existence in the foreseeable future and, therefore, consider it appropriate to adopt the going concern basis for the year ended 31 March 2020.

Disclosure exemptions for qualifying entities under FRS 102

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

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

Tangible assets

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

(i) Office Equipment and software

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

(ii) Depreciation and residual values

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

Office equipment	5-10 years
Software	3 years

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

(iii) Subsequent additions and major components

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

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

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

NOTES TO THE FINANCIAL STATEMENTS -continued

(iv) Derecognition

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

Financial assets

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

Impairment of financial assets

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

Impairment of non-financial assets

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

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

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

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

Financial instruments

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

(i) Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS -continued

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

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

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

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

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

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

(ii) Financial liabilities

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS -continued

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

(iii) Offsetting

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

Trade and other debtors

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

Cash and cash equivalents

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

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

Creditors

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

Interest Income

Interest income is recognised using the effective interest rate method.

Interest Expense

Interest expense is recognised using the effective interest rate method.

Foreign currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS -continued

Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

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

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

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

(ii) Contingencies

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

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

Trade and corporation tax

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

Current or deferred taxation assets and liabilities are not discounted.

Novelis Aluminium Holding Unlimited Company, Novelis Deutschland GmbH and the Novelis Sheet Ingot GmbH established a German fiscal unity. The stated German trade and corporation tax is the tax of the fiscal unity. The deferred tax rate is 30.1%.

(i) Current tax

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

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

NOTES TO THE FINANCIAL STATEMENTS -continued

(ii) Deferred tax

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

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

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

Employee benefits

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

(i) Short term employee benefits

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

(ii) Defined benefit plan

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS -continued

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

Share capital presented as equity

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

Distributions to equity shareholders

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

3 Critical accounting judgements and estimation uncertainty

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

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

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

(b) Critical accounting estimates and assumptions

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

(i) Impairment of debtors

The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor. See note 12 for the net carrying amount of the debtors and the impairment loss recognised in the financial year.

(ii) Impairment of Financial Assets

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

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

(iii) Defined benefit pension scheme

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

NOTES TO THE FINANCIAL STATEMENTS -continued

4 Administrative expenses

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Wages and salaries	1,648,129	1,306,538
Social insurance costs	394,959	248,049
Other retirement benefit costs	46,794	44,009
Staff costs	2,089,882	1,598,596
Other administrative expenses	598,471	524,267
	2,688,353	2,122,863

Average number of persons employed by the company during the year was 16 (31 March 2019: 15).

5 Other operating income

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Profit from financial assets (Note 11)	23,074,669	30,016,325
Service fee income	2,333,616	2,507,078
Other income	508,827	133,700
	25,917,112	32,657,103

NOTES TO THE FINANCIAL STATEMENTS -continued

6 Operating profit

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Operating profit is stated after charging / (crediting):		
Depreciation	128	128
Foreign exchange (gain) / loss	(1,440)	102

7 Interest income

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Interest income on loans to group undertakings	6,100,000	6,083,333
Interest received on taxation	0	683,747
Total interest income	6,100,000	6,767,080

8 Interest expense

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Interest expense on loans from group undertakings	29,639,039	29,421,553
Net interest expense on defined benefit pension plan	137,704	140,784
Interest accrued on taxation	248,929	-
Total interest expense	30,025,672	29,562,337

The interest on loans received from group undertakings, consists of interest on the long term loan of €451,000,000 which falls due on 14 September 2024 and interest on the short term loan of €60,000,000 (2019: €60,000,000) which falls due on 17 March 2021 (2019: 17 March 2020).

NOTES TO THE FINANCIAL STATEMENTS -continued

9 Taxation charge

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
(a) Analysis of charge in year		
Current tax:		
Irish corporation tax	-	-
German Trade and Corporation Tax on (loss) / profit for the year	(6,837,398)	1,727,187
Current tax (charge/credit) for the financial year	(6,837,398)	1,727,187
Deferred tax:		
Origination and reversal of timing differences (Note 13)	(7,568,474)	(6,155,230)
Deferred tax charge for the financial year	(7,568,474)	(6,155,230)
	(14,405,872)	(4,428,043
The deferred tax charge arises from:		
Pension	(23,023)	(107,369)
Tax losses carry forward	(6,745,449)	(4,146,867)
Other	(800,002)	(1,900,994)
	(7,568,474)	(6,155,230)

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

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Current tax	-	-
Deferred tax		
- Deferred tax credit on re-measurement of net defined benefit liability	155,368	165,990
	155,368	165,990

NOTES TO THE FINANCIAL STATEMENTS -continued

9 Taxation charge - continued

(c) Reconciliation of tax charge

Tax reconciliation

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Loss / profit on ordinary activities before taxation	**(821,528)**	**7,616,776**
Loss / profit multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 March 2020 of 12.5% (2019: 12.5%)	102,691	(952,097)
Different statutory tax rate (30.1%)	144,589	(1,340,553)
Uncertain tax positions	(2,521,697)	(795,489)
Effects from valuation allowance	1,455,967	4,322,276
Expenses not deductible for tax purposes	(13,856,862)	(11,078,168)
Adjustment prior year taxes	269,440	5,415,988
Taxation charge for the financial year	**(14,405,872)**	**(4,428,043)**

NOTES TO THE FINANCIAL STATEMENTS -continued

10 Tangible assets

	Total €
Cost	
At 1 April 2019	16,521
At 31 March 2020	16,521
Accumulated depreciation	
At 1 April 2019	16,287
Charge for the year	128
At 31 March 2020	16,415
Net book amount	
At 31 March 2019	234
At 31 March 2020	106

The tangible assets are completely related to office equipment.

11 Financial assets (Shares in group undertakings)

	Year ended 31 March 2019 €
Opening balance	711,540,449
Closing balance	711,540,449
Novelis Deutschland GmbH	711,540,449

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

In 2002, the company entered into a profit and loss transfer agreement (“Ergebnisabführungsvertrag”) with Novelis Deutschland GmbH, under which all profits or losses of Novelis Deutschland GmbH are transferred to the company at the end of the financial year. The agreement is renewed annually every 1 January for a further 12 months period, unless it is cancelled by either party within a notice period of up to six months prior to the expiration date of the contract. The gain received under this agreement for the year ended 31 March 2020 was € 23,074,669 (31 March 2019: gain of € 30,016,325)

NOTES TO THE FINANCIAL STATEMENTS -continued

12 Debtors and prepayments

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Amounts owed by group companies	123,665,743	130,022,791
Corporation tax receivable	997,325	2,928,669
Trade tax receivable	883,643	2,820,546
Prepaid expenses	3,784	524
Other debtors	9,018,967	7,838,158
	134,569,462	143,610,688

Included in other debtors are amounts receivable in respect of VAT of € 8,978,723 (31 March 2019: € 7,838,067).

Amounts owed by group companies includes loans to group undertakings of € 93 million (2019: € 100 million) which have a maturity date of 1 October 2023 are unsecured and carry a fixed interest rate of 6%. All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13 Deferred tax asset

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Property and equipment	975	676
Retirement benefits	775,071	642,726
Other	17,032,291	24,578,041
	17,808,337	25,221,443

Included in other deferred tax asset are amounts for tax losses carried forward available for offset against future taxable profits of € 17,479,658 (2019: € 24,225,107).

A deferred tax asset of € 29,836,280 (2019: € 31,292,247) related to interest carried forward has not been recognised as the company has deemed that it is not probable that this will be realised in the foreseeable future.

Movement in deferred taxes

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Deferred tax asset at 1 April	25,221,443	31,210,683
Charge to profit and loss account	(7,568,474)	(6,155,230)
Credit to other comprehensive income (Note 16)	155,368	165,990
Deferred tax asset at 31 March	17,808,337	25,221,443

NOTES TO THE FINANCIAL STATEMENTS -continued

14 Creditors – amounts falling due within one year

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Amounts owed to group companies - finance	99,484,695	88,996,282
Amounts owed to group companies - trade	9,077,447	7,908,247
Accruals	611,485	434,948
Trade creditors	37,557	6,629
Trade tax on income	382,387	7,491,740
Corporation tax	345,654	8,991,614
Other creditors	105,021	202,454
	110,044,246	114,031,914

Amounts owed to group companies - finance include intergroup borrowings of € 60 million (2019: € 60 million) which are unsecured and fall due on 17 March 2021 (2019: 17 March 2020) and carry a fixed interest rate of 3% (2019: 3%). All other amounts owed to group companies are unsecured, interest free and repayable on demand.

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

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

15 Creditors – amounts falling due after more than one year

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Amounts owed to group companies	451,000,000	451,000,000
Other creditors	19,990,420	17,247,883
	470,990,420	468,247,883

The amounts owed to group companies at 31 March 2020 and 31 March 2019 (€ 451 million) have a maturity date of 14 September 2024, carry a fixed interest rate of 6% and are unsecured.

Included in other creditors are amounts payable in respect of tax of € 19,951,285 (31 March 2019: € 17,207,264).

16 Pension liability

The company operates a defined benefit pension scheme with assets held in a separately administered fund. Pension liabilities are met out of the company's total resources. The contributions are determined by a qualified actuary on the basis of annual valuations using the projected unit credit method. The most recent valuation for funding purposes was carried out by a qualified independent actuary as at 31 March 2020 and is available for inspection by the scheme members but not for public inspection. The company has entered into reinsurance contracts to fund part of their pension liabilities. The value of the scheme assets at 31 March 2020 was € 1,309,583 (31 March 2019: € 1,321,993).

NOTES TO THE FINANCIAL STATEMENTS -continued

16 Pension liability - continued

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
The amounts recognised in the balance sheet are as follows:		
Present value of scheme liabilities	(8,143,583)	(7,797,993)
Fair value of scheme assets	1,309,583	1,321,993
Pension liability	(6,834,000)	(6,476,000)

The amounts recognised in the profit and loss account are as follows:		
Interest cost	152,246	162,159
Interest on scheme assets	(14,542)	(21,375)
Current service cost	17,000	15,000
	154,704	155,784

The amounts recognised in other comprehensive income are as follows:		
Experience gains/(losses) on liabilities	(531,000)	(563,000)
Actual return on assets less interest income	35,704	27,784
Change in assumptions underlying the present value of scheme liabilities	-	-
Actuarial losses recognised in other comprehensive income	(495,296)	(535,216)
Related deferred tax	155,368	165,990
	(339,928)	(369,226)

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 March 2020 is € 3,451,106 (31 March 2019: loss of € 2,955,810). The related deferred tax credit is € 1,049,957 (31 March 2019: credit of € 894,589).

The actual return on plan assets was:

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Actual return on plan assets	50,246	49,159

Expected contributions for the financial year ending 31 March 2021 are € 333,000.

NOTES TO THE FINANCIAL STATEMENTS -continued

16 Pension liability - continued

Movement in scheme assets and liabilities:

	Scheme assets	Scheme liabilities	Pension liability
	€	€	€
At 1 April 2018	**1,335,953**	**(7,407,953)**	**(6,072,000)**
Transfer in / (out)	-	-	-
Current Service Cost	-	(15,000)	(15,000)
Interest on scheme liability	-	(162,159)	(162,159)
Interest on scheme assets	21,375	-	21,375
Return on plan assets	27,784	-	27,784
Experience losses on liabilities	-	(563,000)	(563,000)
Change in assumptions	-	-	-
Benefits paid	-63,119	350,119	287,000
Employer Contributions paid	-	-	-
At 31 March 2019	**1,321,993**	**(7,797,993)**	**(6,476,000)**
At 1 April 2019	**1,321,993**	**(7,797,993)**	**(6,476,000)**
Transfer in / (out)	-	-	-
Current Service Cost	-	(17,000)	(17,000)
Interest on scheme liability	-	(152,246)	(152,246)
Interest on scheme assets	14,542	-	14,542
Return on plan assets	35,704	-	35,704
Experience losses on liabilities	-	(531,000)	(531,000)
Change in assumptions	-	-	-
Benefits paid	-62,656	354,656	292,000
Employer Contributions paid	-	-	-
At 31 March 2020	**1,309,583**	**(8,143,583)**	**(6,834,000)**

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

Amounts for the current and previous two years:

	31 March 2020 €	31 March 2019 €	31 March 2018 €
Scheme`s liabilities	(8,143,583)	(7,797,993)	(7,407,953)
Scheme`s assets	1,309,583	1,321,993	1,335,953
Deficit	(6,834,000)	(6,476,000)	(6,072,000)
Experience adjustment on liabilities	(531,000)	(563,000)	22,000
% of liabilities	6,52%	7,22%	-0.30%
Experience adjustment on assets	-	-	-
% of assets	-	-	-

NOTES TO THE FINANCIAL STATEMENTS -continued

16 Pension liability - continued

The principal actuarial assumptions at the balance sheet date:	31 March 2020 %	31 March 2019 %
Discount rate	1.10	1.60
Future salary increases	2.75	2.75
Future pension increases	1.75	1.75
Future inflation rate	1.75	1.75

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

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

Longevity at 65 for current pensioners:	31 March 2020 Years	31 March 2019 Years
Male	20,3	20,2
Female	23.8	23.7
Longevity at 65 for members retiring in 2040:		
Male	23.1	23.0
Female	26,0	25.9

17 Called up Share capital – presented as equity

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Authorised:		
889,947,424 ordinary shares of € 0.2362605946 each	210,259,508	210,259,508
Issued and fully paid:		
647,590,007 ordinary shares of € 0.0046325607 each	3,000,000	3,000,000

18 Capital contribution

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
Capital contribution from parent	214,096,576	214,096,576

NOTES TO THE FINANCIAL STATEMENTS -continued

19 Subsidiaries

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

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

20 Guarantees and contingent liabilities

In 2017, Novelis group refinanced its Term Loan among Novelis Inc. as Borrower, other Novelis companies as Guarantors, and the administrative and collateral agent Standard Chartered Bank with the aggregate amount of the commitments and loans being U.S.$ 1,800,000,000. In preparation for the planned acquisition of Aleris Inc., the Novelis group adjusted its financing structure to allow Novelis Acquisitions LLC to borrow U.S.$ 775,000,000. The Company continues to act as Guarantor for the Term Loan, which is now at a principal amount of approximately U.S. $ 2,575,000,000. Further, a short term bridge loan in the amount of U.S.$ 1,100,000,000 has been entered into in connection with the Aleris acquisition for which the Company acts as Guarantor.

The ABL Loan, dating from September 2017 for which the Company is a Guarantor, has been revised to U.S. $1,500,000,000 in connection with the Aleris acquisition.

21 Events after the balance sheet date

In April Novelis Group has announced the acquisition of Aleris to further strengthen its global footprint and gives it entrance to the profitable Aerospace market. With this acquisition it hopes to further sustain its market leadership position.

22 Directors remuneration

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

	Year ended 31 March 2020 €	Year ended 31 March 2019 €
For services as directors	17,000	17,000
For other services	-	-
	17,000	17,000

23 Approval of financial statements

The directors approved the financial statements on 30 April 2020.