Novelis Aluminium Holding Unlimited Company
(formerly Novelis Aluminium Holding Company)

Directors' Report and Financial Statements

For the financial year ended 31 March 2017

Registered Number: 316911

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DIRECTORS AND OTHER INFORMATION

Board of Directors at 28 April 2017

Eric Tonkowski	(German)
Jeremy Quick	(British)
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 2017.

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 Financial Reporting Council of the UK, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; 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
No events of note have taken place since the end of the financial year.

DIRECTORS' REPORT - continued

Business review

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The loss for the financial year amounted to:	72,235,140

The results for the current financial year are driven by losses of the 100% subsidiary Novelis. The significant losses arising in Novelis Deutschland GmbH in the financial year ended 31 March 2017 are attributed to a number of factors including lower than anticipated gross profit margins driven by higher than anticipated metal prices and significant hidden reserve in inventories arising due to application of the last-in-first-out methodology, in addition to a loss transfer from its 100% subsidiary Novelis Sheet Ingot GmbH from not achieving production volume targets.

The directors do not propose the payment of a dividend for 2017 (2016: nil).

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

Implementation of Changes under the Companies Act 2014
The Companies Act 2014 (the "Act") became law in Ireland on 1 June 2014 bringing significant changes to some areas of Irish company law. The Company is a private unlimited company with a share capital ("ULC"). Under the Act all ULCs were required to change their name to include the suffix 'Unlimited Company' by 1 December 2016. Accordingly, the company adopted, by way of a special resolution of the shareholders on 24 October 2016, a resolution to (i) change the name of the company to "Novelis Aluminium Holding Unlimited Company", and (ii) update the memorandum and articles of association of the company.

Intercompany Loan Reorganisation
In preparation for several global refinancing projects, the Novelis group reorganised its intercompany financing structure in September 2016. In this context several intercompany notes were updated to reflect new principal amounts and more favourable interest rates. Please refer to the details as set out in Note 15 to the Financial Statements. Further, the shareholder of the company made an unconditional capital contribution of € 89,096,576 to the Company in September 2016.

Additionally, in March 2017 the Company converted its short term financing arrangements under the European Cash Pool to a short term intercompany loan which carries a more favourable interest rate. Please refer to the details as set out in Note 14 to the Financial Statements.

Future plans and developments
For the coming fiscal year the results of Novelis Deutschland GmbH are expected to improve, as the sales volume continues to increase and the expected higher utilization of the manufacturing plants is expected to increase compared to the past year. Operating EBITDA is expected to improve by an estimated € 28 million. This projected increase is based primarily on higher expected sales volumes and therefore higher gross profit as well as improved hedging activities.

This improvement 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 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 2017.

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, in example the loss of sales volumes. Increases in raw material price

DIRECTORS' REPORT - continued

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.

Directors

The names of the persons who were directors at any time during the year ended 31 March 2017 are set out below. Except where indicated, they served for the entire year.

Eric Tonkowski	(German)
Jeremy Quick	(British)
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 2017 had no beneficial interests, including family interests, in the share capital of the Company or any group undertaking at 31 March 2016 and at 31 March 2017.

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

28 April 2017
Date of board meeting

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOVELIS ALUMINIUM HOLDING UNLIMITED COMPANY (FORMERLY NOVELIS ALUMINIUM HOLDING COMPANY)

Report on the financial statements

Our opinion

In our opinion, Novelis Aluminium Holding Unlimited Company's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

What we have audited

The financial statements comprise:

- the balance sheet as at 31 March 2017;
- the profit and loss account for the year then ended;
- the statement of other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

pwc

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOVELIS ALUMINIUM HOLDING UNLIMITED COMPANY (FORMERLY NOVELIS ALUMINIUM HOLDING COMPANY)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Ruth Patterson
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
28 April 2017

PROFIT AND LOSS ACCOUNT
For the financial year ended 31 March 2017

	Notes	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Administrative expenses	4	(1,579,609)	(1,608,232)
Other operating expenses		(121,781)	(119,221)
Other operating (loss)/income	5	(41,355,216)	500,991
Operating loss	6	(43,056,606)	(1,226,462)
Interest income	7	7,300,000	7,320,000
Interest expense	8	(39,182,677)	(45,562,189)
Loss on ordinary activities before taxation		(74,939,283)	(39,468,651)
Taxation credit/(charge)	9	2,704,143	(1,793,421)
Loss for the financial year		(72,235,140)	(41,262,072)

Loss before taxation arose solely from continuing operations.

There is no difference between the loss on ordinary activities for the year above, and their historical cost equivalents.

The notes on pages 12 to 26 form part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Loss for the year		(72,235,140)	(41,262,072)
Actuarial (loss)/gain in respect of pension scheme	16	(25,774)	838,953
Deferred tax on actuarial loss/gain	13	11,846	(241,445)
Total comprehensive income		(72,249,068)	(40,664,564)

BALANCE SHEET
31 March 2017

	Notes	31 March 2017 €	31 March 2016 €
Fixed assets			
Tangible assets	10	517	1,167
Financial assets	11	711,540,449	711,540,449
		711,540,966	711,541,616
Current assets			
Debtors and prepayments	12	139,420,106	148,946,059
Deferred tax asset	13	35,088,892	28,293,482
		174,508,998	177,239,541
Creditors - amounts falling due within one year	14	(212,518,354)	(156,878,506)
Net current (liabilities)/assets		(38,009,356)	20,361,035
Total assets less current liabilities		673,531,610	731,902,651
Creditors - amounts falling due after more than one year	15	(482,295,915)	(557,451,464)
Pension liability	16	(6,216,000)	(6,279,000)
Net assets		185,019,695	168,172,187
Shareholders' funds			
Called up share capital – presented as equity	17	3,000,000	3,000,000
Capital contribution	18	89,096,576	-
Profit and loss account		92,923,119	165,172,187
		185,019,695	168,172,187

The notes on pages 12 to 26 form part of these financial statements.

On behalf of the Board

Eric Tonkowski
Director

Sabine Trautwein
Director

STATEMENT OF CHANGES IN EQUITY
31 March 2017

	Note	Called up share capital	Capital contribution	Profit and loss account	Total
Balance at 1st April 2015	**17**	**3,000,000**	**-**	**205,836,751**	**208,836,751**
Loss for the year		-	-	(41,262,072)	(41,262,072)
Other comprehensive income for the year		-	-	597,508	597,508
Total comprehensive income for the year		-	-	*(40,664,564)*	*(40,664,564)*
Balance as at 31st March 2016	**17**	**3,000,000**	**-**	**165,172,187**	**168,172,187**
Balance at 1st April 2016		**3,000,000**	**-**	**165,172,187**	**168,172,187**
Loss for the year		-	-	(72,235,140)	(72,235,140)
Other comprehensive income		-	-	(13,928)	(13,928)
Total comprehensive income for the year		-	-	*(72,249,068)*	*(72,249,068)*
Capital contribution from parent	**18**	-	89,096,576	-	89,096,576
Balance as at 31st March 2017		**3,000,000**	**89,096,576**	**92,923,119**	**185,019,695**

NOTES TO THE FINANCIAL STATEMENTS

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 a company in the Republic of Ireland. The address of its registered office is Goodwill Secretarial Limited, 25/28 North Wall Quay, IFSC, Dublin 1.

As Novelis Aluminium Holding Unlimited Company is included in consolidated accounts of Hindalco Industries Ltd it is exempt, by virtue of Section 299 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 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 2017.

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.

NOTES TO THE FINANCIAL STATEMENTS- continued

The ultimate parent undertaking and controlling party of Novelis Aluminium Holding Unlimited Company, which is the parent undertaking of the smallest and largest group to prepare consolidated financial statements, is Hindalco Industries Ltd, a company incorporated in India. The company is also consolidated into the financial statements of Novelis Inc. (smallest group). Copies of group financial statements for Hindalco Industries Ltd. can be obtained from the Company Secretary, Century Bhavan, Worli, Mumbai 400 030, India.

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

Office equipment 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.

(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.

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 includes 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.

NOTES TO THE FINANCIAL STATEMENTS- continued

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'.

Income tax

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income 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 income tax expense.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS- continued

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'.

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.

NOTES TO THE FINANCIAL STATEMENTS- continued

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.
There was no impairment of financial assets in the current year (2016: 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.

4 Administrative expenses

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Wages and salaries	857,910	837,871
Social insurance costs	170,933	171,096
Other retirement benefit costs	34,767	(46,288)
Staff costs	1,063,610	962,679
Other administrative expenses	515,999	645,553
	1,579,609	1,608,232

Average number of persons employed by the company during the year was 10 (31 March 2016: 10).

Novelis Aluminium Holding Unlimited Company participates in the Novelis Inc. stock appreciations rights (SARs). The details, assumptions and calculation method are disclosed in the Novelis Inc. group financial statements. Copies of the financial statements of Novelis Inc. can be obtained from the Company Secretary, Two Alliance Center, 3560 Lenox Road, Suite 2000, Atlanta, GA 30326, USA.

NOTES TO THE FINANCIAL STATEMENTS- continued

5 Other operating (loss)/income

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Loss from financial assets (Note 11)	(43,456,260)	(1,450,817)
Service fee income	2,101,044	1,887,708
Other income	-	64,100
	(41,355,216)	500,991

6 Operating loss

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Operating loss is stated after charging:		
Depreciation	650	927
Foreign exchange (gain)	-	(176)

Auditors' remuneration

Remuneration (including expenses and excluding VAT) for the statutory audit and other services carried out for the company by the company's auditors is as follows:

	2017 €	2016 €
Audit of entity financial statements	55,284	40,281
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	55,284	40,281

7 Interest income

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Interest income on loans to group undertakings	7,300,000	7,320,000
Total interest income	7,300,000	7,320,000

NOTES TO THE FINANCIAL STATEMENTS- continued

8 Interest expense

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Interest expense on loans from group undertakings	38,255,757	44,421,170
Net interest expense on defined benefit pension plan	140,226	160,953
Interest paid and accrued on taxation	786,694	980,066
Total interest expense	39,182,677	45,562,189

The long term group loan is falling due on 14 September 2024.The short term group loans are falling due on 19 March 2018.

9 Tax on loss on ordinary activities

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
(a) Analysis of credit/(charge) in year		
Current tax:		
Irish corporation tax		-
German Income Tax on loss for the period	(4,079,421)	(5,622,678)
Current tax charge for the financial year	(4,079,421)	(5,622,678)
Deferred tax:		
Origination and reversal of timing differences (Note 13)	6,783,564	3,829,257
Deferred tax charge for the financial year	6,783,564	3,829,257
	2,704,143	(1,793,421)

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
The deferred tax credit arises from:		
Pension	35,288	66,220
Other	(6,818,852)	(3,895,477)
	(6,783,564)	(3,829,257)

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

NOTES TO THE FINANCIAL STATEMENTS- continued

9 Tax on profit on ordinary activities- continued

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

Current tax	-	-
Deferred tax		
- Deferred tax on re-measurement of net defined benefit liability	11,846	(241,445)
	11,846	(241,445)

(c) Reconciliation of tax credit/expense

Tax assessed for the financial year is lower than the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 March 2017 of 12.5% (2016: 12.5%). The differences are explained below:

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
Loss on ordinary activities before tax	(74,939,283)	(39,468,651)
	(74,939,283)	(39,468,651)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2016: 12.5%)	9,367,410	4,933,582
Effects of:		
Not subject to Irish taxation	(2,583,846)	(1,104,325)
Subject to German taxation	(4,079,421)	(5,622,678)
Total credit/(charge) for the financial year	2,704,143	(1,793,421)

NOTES TO THE FINANCIAL STATEMENTS- continued

10 Tangible assets

	Total €
Cost	
At 1 April 2015	134,663
At 31 March 2016	134,663
Accumulated depreciation	
At 1 April 2015	132,569
Charge for the period	927
At 31 March 2016	133,496
Net book amount	
At 31 March 2015	2,094
At 31 March 2016	1,167
Cost	
At 1 April 2016	133,496
At 31 March 2017	100,164
Accumulated depreciation	
At 1 April 2016	133,496
Charge for the period	(33,849)
At 31 March 2017	99,647
Net book amount	
At 31 March 2016	1,167
At 31 March 2017	517

The tangible assets are completely related to office equipment.

11 Financial assets (Shares in group undertakings)

	31 March 2017 €	31 March 2016 €
Balance at 1 April	711,540,449	711,540,449
Balance at 31 March	711,540,449	711,540,449
Novelis Deutschland GmbH	711,540,449	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 loss absorbed under this agreement for the year ended 31 March 2017 was € 43,456,260 (31 March 2016: loss of € 1,450,817).

NOTES TO THE FINANCIAL STATEMENTS- continued

12 Debtors and prepayments

	31 March 2017 €	31 March 2016 €
Amounts owed by group companies	124,338,644	134,655,723
Corporation tax receivable	3,006,656	2,763,678
Trade tax receivable	2,987,203	3,042,112
Prepaid expenses	11,109	16,098
Other debtors	9,076,494	8,468,448
	139,420,106	148,946,059

Included in other debtors are amounts receivable in respect of VAT of € 9,075,572 (31 March 2016: € 8,467,775).

Amounts owed by group companies includes loans to group undertakings of €120 million (2016: €120 million) which have a maturity date of 1 October 2023 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

	31 March 2017 €	31 March 2016 €
Property and equipment	733	499
Retirement benefits	617,682	641,124
Other	34,470,477	27,651,859
	35,088,892	28,293,482

Included in other deferred tax asset are amounts for tax losses carried forward available for offset against future taxable profits of € 32,329,206 (2016: € 25,640,083).

A deferred tax asset of € 33,042,877 (2016: € 24,293,710) related to additional losses 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

	31 March 2017 €	31 March 2016 €
Deferred tax asset at 1 April	28,293,482	24,705,570
Charge to profit and loss account	6,783,564	3,829,257
Charge to other comprehensive income (Note 16)	11,846	(241,445)
Deferred tax asset at 31 March	35,088,892	28,293,482

NOTES TO THE FINANCIAL STATEMENTS- continued

14 Creditors – amounts falling due within one year

	31 March 2017 €	31 March 2016 €
Amounts owed to group companies - finance	159,377,073	141,330,884
Amounts owed to group companies - trade	52,673,924	9,960,342
Accruals	307,448	307,847
Trade creditors	1,258	286,309
Trade tax on income	-	2,252,124
Corporation tax	-	2,584,056
Other creditors	158,651	156,944
	212,518,354	156,878,506

Amounts owed to group companies - finance include intergroup borrowings of €150 million (2015: 40 million) which fall due on 19 March 2018 and carry a fixed interest rate of 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

	31 March 2017 €	31 March 2016 €
Amounts owed to group companies	451,000,000	531,126,441
Other creditors	31,295,915	26,325,023
	482,295,915	557,451,464

The amounts owed to group companies at 31 March 2016 (€ 531 million) had a maturity date of 31 March 2019 and carry a fixed interest rate of 8%. This loan was repaid on 14 September 2016 before maturity and on the same day the Novelis Aluminium Holding Unlimited Company signed a new loan agreement with an amount of € 451 million. This loan has a maturity date of 14 September 2024 and carry a fixed interest rate of 6%.

Included in other creditors are amounts payable in respect of tax of €31,278,710 (31 March 2016: €26,311,619).

16 Retirement benefits

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 2017 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 these contracts at 31 March 2017 was € 1,350,105 (31 March 2016: € 1,364,792).

NOTES TO THE FINANCIAL STATEMENTS- continued

16 Retirement benefits - continued

	31 March 2017 €	31 March 2016 €
The amounts recognised in the balance sheet are as follows:		
Present value of scheme liabilities	(7,566,105)	(7,643,792)
Fair value of scheme assets	1,350,105	1,364,792
Pension liability	(6,216,000)	(6,279,000)

The amounts recognised in the profit and loss account are as follows:		
Interest cost	166,157	190,417
Interest on scheme assets	(25,931)	(29,464)
Current service cost	14,000	14,450
	154,226	175,403

The amounts recognised in other comprehensive income are as follows:		
Experience gains/(losses) on liabilities	(49,000)	72,000
Actual return on assets less interest income	23,226	62,953
Change in assumptions underlying the present value of scheme liabilities	-	704,000
Actuarial losses recognised in other comprehensive income	(25,774)	838,953
Related deferred tax	11,846	(241,445)
	(13,928)	597,508

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including the financial year ended 31 March 2017 is €2,465,846 (31 March 2016: loss of €2,440,072). The related deferred tax asset is €742,220 (31 March 2016: asset of €746,258).

The actual return on plan assets was:

	2017 €	2016 €
Actual return on plan assets	49,157	92,417

Expected contributions for the financial year ending 31 March 2018 are € 294,000.

NOTES TO THE FINANCIAL STATEMENTS- continued

16 Retirement benefits - continued

Movement in scheme assets and liabilities:

	Scheme assets	Scheme liabilities	Pension liability
	€	€	€
At 1 April 2015	**1,550,716**	**(8,684,266)**	**(7,133,550)**
Transfer in / (out)	-	-	-
Current Service Cost	-	(14,450)	(14,450)
Interest on scheme liability	-	(190,417)	(190,417)
Interest on scheme assets	29,464	-	29,464
Experience losses on assets	62,953	-	62,953
Experience losses on liabilities	-	72,000	72,000
Change in assumptions	-	704,000	704,000
Benefits paid	(278,341)	469,341	191,000
Employer Contributions paid	-	-	-
At 31 March 2016	**1,364,792**	**(7,643,792)**	**(6,279,000)**
At 1 April 2016	**1,364,792**	**(7,643,792)**	**(6,279,000)**
Transfer in / (out)	-	-	-
Current Service Cost	-	(14,000)	(14,000)
Interest on scheme liability	-	(166,157)	(166,157)
Interest on scheme assets	25,931	-	25,931
Experience losses on assets	23,226	-	23,226
Experience losses on liabilities	-	(49,000)	(49,000)
Change in assumptions	-	-	-
Benefits paid	(63,844)	306,844	243,000
Employer Contributions paid	-	-	-
At 31 March 2017	**1,350,105**	**(7,566,105)**	**(6,216,000)**

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

Amounts for the current and previous two periods:

	31 March 2017 €	31 March 2016 €	31 March 2015 €
Scheme`s liabilities	(7,566,105)	(7,643,792)	(8,684,266)
Scheme`s assets	1,350,150	1,364,792	1,550,716
Surplus/ (deficit)	(6,216,000)	(6,279,000)	(7,133,550)
Experience adjustment on liabilities	(49,000)	72,000	10,000
% of liabilities	0,65%	0,94%	0,12%
Experience adjustment on assets	0	2	0
% of liabilities	-	-	-

NOTES TO THE FINANCIAL STATEMENTS- continued

16 Retirement benefits - continued

The principal actuarial assumptions at the balance sheet date:	31 March 2017 %	31 March 2016 %
Discount rate	1,90	1.90
Future salary increases	2,75	2.75
Future pension increases	1,75	1.75
Future inflation rate	1,75	2.00

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 2017 Years	31 March 2016 Years
Male	19,3	19,1
Female	23,3	23,1
Longevity at 65 for members retiring in 2037:		
Male	21,9	21,9
Female	25,8	25,8

17 Share capital

	31 March 2017 €	31 March 2016 €
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

	31 March 2017 €	31 March 2016 €
Capital contribution from parent	89,096,576	-

The company received an unconditional capital contribution of € 89,096,576 from its immediate parent company, Novelis Europe Holdings Limited on 14 September 2016..

NOTES TO THE FINANCIAL STATEMENTS- continued

19 Subsidiaries

Name	Principal activity	% ownership	Registered office	Loss	Shareholder funds
				€'000	€'000
Novelis Deutschland GmbH	Aluminium and packaging trading company	100%	Göttingen, Germany	43,456	125,267

The financial information for Novelis Deutschland GmbH presented above is for the year ended 31 March 2017.

Novelis Deutschland GmbH profit and loss and balance sheet are included in the consolidated accounts of Novelis Inc. which are publicly available (Note 4).

20 Guarantees and contingent liabilities

In order to facilitate the refinancing of the 2015 Term Loan it was proposed that the Company enters into a credit agreement dated as of January 10, 2017 among Novelis Inc. as Borrower, other Novelis companies as Guarantors, and the administrative and collateral agent Standard Chartered Bank the aggregate amount of the commitments and loans being U.S.$1,800,000,000. With this 2017 Term Loan Refinancing, in which the Company is a Guarantor, the 2015 Term Loan was successfully refinanced at considerably more favorable terms and conditions.

21 Events after the balance sheet date

No events of note have taken place since the end of the financial year.

22 Directors remuneration

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

	Year ended 31 March 2017 €	Year ended 31 March 2016 €
For services as directors	18,000	14,000
For other services	-	-
	18,000	14,000

23 Parent undertaking

The immediate parent company is the Novelis Europe Holdings Limited, Latchford Locks Works, Thelwell Lane, Warrington, Cheshire, United Kingdom, WA4 1NN. 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 smallest and largest group in which Novelis Aluminium Holding Unlimited Company is included. Copies of the financial statements of Hindalco Industries Ltd can be obtained from its head office at Century Bhavan, 3rd floor, Dr. Annie Besant Road, Worli, Mumbai 400 030, India.

24 Approval of financial statements

The directors approved the financial statements on 28 April 2017.