

UTKAL ALUMINA INTERNATIONAL LIMITED
Balance sheet as at March 31, 2021

All amounts in ₹ Crore, unless otherwise stated

Particulars	Note No.	As at	
		March 31, 2021	March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	6,424.47	6,690.92
Capital Work-in-Progress	2	1,801.79	1,324.47
Intangible Assets	3	69.28	75.75
Financial Assets			
(i) Investments in Subsidiaries	4	0.10	0.10
(ii) Investments in Associates	5	1.27	1.27
(iii) Other Investments	6(i)	24.94	25.01
(iv) Loans	7(i)	0.18	0.23
(v) Other Financial Assets	8(i)	10.12	19.75
Non-Current Tax Assets (Net)	10	-	2.69
Other Non-Current Assets	11(i)	33.12	68.04
Total Non-Current Assets		8,365.27	8,208.23
Current Assets			
Inventories	12	364.74	366.66
Financial Assets			
(i) Other Investments	6(ii)	1,940.85	1,320.58
(ii) Trade Receivables	13	273.39	240.00
(iii) Cash and Cash Equivalents	14	33.32	34.78
(iv) Bank Balances other than Cash and Cash Equivalents	15	350.00	250.00
(v) Loans	7(ii)	0.13	0.31
(vi) Other Financial Assets	8(ii)	29.72	41.33
Other Current Assets	11(ii)	75.25	117.12
Total Current Assets		3,067.40	2,370.78
TOTAL ASSETS		11,432.67	10,579.01
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	6,251.48	6,251.48
Other Equity	17	1,740.04	1,135.83
TOTAL EQUITY		7,991.52	7,387.31
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	18(i)	2,554.18	2,416.12
(ii) Lease liabilities	19(i)	2.03	2.21
Deferred Tax Liabilities (Net)	9	239.08	65.28
Other Non-Current Liabilities	23	34.55	34.34
Provisions	20(i)	86.26	89.62
Total Non-Current Liabilities		2,916.10	2,607.57
Current Liabilities			
Financial Liabilities			
(i) Borrowings	18(ii)	1.81	3.03
(ii) Lease liabilities	19(ii)	2.80	0.23
(iii) Trade and Other Payables	21		
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises; and		5.96	1.37
(B) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		192.57	235.97
(iv) Other Financial Liabilities	22	194.44	216.95
Contract Liabilities	24	0.30	0.21
Other Current Liabilities	25	58.48	49.59
Provisions	20(ii)	67.57	69.67
Income Tax Liabilities (Net)	26	1.12	7.11
Total Current Liabilities		525.05	584.13
TOTAL LIABILITIES		3,441.15	3,191.70
TOTAL EQUITY AND LIABILITIES		11,432.67	10,579.01

Basis of Preparation and Significant Accounting Policies 1

The accompanying notes are integral part of the Financial statements

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration Number: 302049E

For and on behalf of the Board of Directors of

Utkal Alumina International Limited

Navindra Kumar Surana

Partner

Membership No. 053816

Indrajit Pathak

Director

DIN:00194571

Surya Kanta Mishra

Director

DIN:02544268

Sudhakar Biswal

Chief Financial Officer

Sunita Narayan

Company Secretary

Place: Kolkata

Date : April 30, 2021

Place: Mumbai

Date : April 30, 2021

UTKAL ALUMINA INTERNATIONAL LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2021

All amounts in ₹ Crore, unless otherwise stated

Particulars	Note No.	Year Ended	
		March 31, 2021	March 31, 2020
REVENUES			
Revenue from Operations	27	2,763.88	2,653.20
Other Income	28	171.47	154.62
Total Income		2,935.35	2,807.82
EXPENSES			
Cost of Materials Consumed	29	225.84	315.99
Changes in Inventories of Finished Goods and Work-in-Progress	30	(3.64)	39.57
Employee Benefit Expense	31	62.66	65.32
Power and Fuel	32	629.12	720.85
Finance Cost	33	112.11	183.49
Depreciation and Amortisation	34	307.02	304.24
Other Expense	35	650.69	674.26
Total Expenses		1,983.80	2,303.72
Profit before Exceptional Items and Tax		951.55	504.10
Less: Exceptional Expenses	36	6.36	-
Profit before Tax		945.19	504.10
Tax Expenses:	37		
Current Tax		165.23	89.12
Deferred Tax Benefits		174.49	97.57
		339.72	186.69
Profit after Taxation		605.47	317.41
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit or loss	38(i)		
Re-measurement gain/(loss) on defined benefit obligation		(1.95)	(1.23)
Income Tax Effect		0.68	0.43
Items that will be reclassified to profit or loss	38(ii)		
Cash Flow Hedges		-	(2.38)
Income Tax Effect		-	0.83
Total Other Comprehensive Income / (Loss)		(1.27)	(2.35)
Total Comprehensive Income		604.20	315.06
Earnings per equity share	39		
[Nominal Value per share : ₹ 10]			
-Basic and Diluted in Rupees		0.97	0.51
Basis of Preparation and Significant Accounting Policies	1		

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Company Secretary

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UTKAL ALUMINA INTERNATIONAL LIMITED
Statement of Changes in Equity for the Year Ended March 31, 2021

All amounts in ₹ Crore, unless otherwise stated

A. Equity Share Capital

Particulars	Note	Amount
Balance as at the April 01, 2019		6,251.48
Changes in Equity Share Capital during the Year	16	-
Equity Share Capital as at the March 31, 2020		6,251.48
Balance as at the April 01, 2020		6,251.48
Changes in Equity Share Capital during the Year	16	-
Equity Share Capital as at the March 31, 2021		6,251.48

B. Other Equity

Particulars	Note	Reserves and Surplus		Other Reserves			Total
		Retained Earnings	Capital Contribution by Holding Company	Actuarial Gain/ (Loss) on Defined benefit Obligation	Effective portion of Cash Flow Hedges	Total OCI	
Balance as at the March 31, 2019	17	744.89	74.41	-	(4.90)	(4.90)	814.40
Transitional impact of Ind AS 116		(0.08)	-	-	-	-	(0.08)
Restated Balance as at the April 01, 2019		744.81	74.41	-	(4.90)	(4.90)	814.32
Profit for the Year		317.41	-	-	-	-	317.41
Other comprehensive Income, net of tax		-	-	(0.80)	(1.55)	(2.35)	(2.35)
Total Comprehensive Income for the Year		317.41	-	(0.80)	(1.55)	(2.35)	315.06
Share based payment expenses		-	0.67	-	-	-	0.67
Re-payment towards Share based payment expenses		-	(0.67)	-	-	-	(0.67)
Transfer from OCI - Actuarial Gain		(0.80)	-	0.80	-	0.80	-
Hedging Loss transferred to Non-Financial Assets (Net of tax)		-	-	-	6.45	6.45	6.45
Total Changes		316.61	-	-	4.90	4.90	321.51
Balance as at the March 31, 2020	17	1,061.42	74.41	-	-	-	1,135.83
Balance as at the April 01, 2020	17	1,061.42	74.41	-	-	-	1,135.83
Profit for the Year		605.47	-	-	-	-	605.47
Other comprehensive Income/(Loss), net of tax		-	-	(1.27)	-	(1.27)	(1.27)
Total Comprehensive Income for the Year		605.47	-	(1.27)	-	(1.27)	604.20
Share based payment expenses		-	0.28	-	-	-	0.28
Re-payment towards Share based payment expenses		-	(0.27)	-	-	-	(0.27)
Transfer from OCI to Retained Earnings		(1.27)	-	1.27	-	1.27	-
Total Changes		604.20	0.01	-	-	-	604.21
Balance as at the March 31, 2021		1,665.62	74.42	-	-	-	1,740.04

Basis of Preparation and Significant Accounting Policies 1

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Company Secretary

Place: Kolkata

Date : April 30, 2021

Place: Mumbai

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UTKAL ALUMINA INTERNATIONAL LIMITED
Cash Flow Statement for the Year Ended March 31, 2021

All amounts in ₹ Crore, unless otherwise stated

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
A. Cash Flow From Operating Activities		
Profit before tax	945.19	504.10
Adjustment for:		
Employee Stock Option Scheme	0.28	0.67
Depreciation and Amortisation	307.02	304.24
Unrealised Foreign Exchange Loss / (Gain) - (Net)	0.07	(6.16)
Interest Income	(18.17)	(44.01)
Fair value gain on modification of Borrowings	(30.78)	(1.04)
Loss / (Profit) on Tangible Assets Sold / Discarded	0.14	(0.02)
Finance Costs	112.11	183.49
Gain on changes in fair value of Derivatives	(0.28)	(0.80)
Gain on reversal of ROU Assets & Liabilities	-	(0.01)
Fair value Loss / (Gain) on Investments (Net)	46.87	(46.70)
Gain on sale of Investments - Realised	(163.39)	(57.95)
Realised Loss of cash Flow hedges in OCI	-	(0.87)
Provision for slow moving spares	3.42	4.08
Operating Profit Before Working Capital Changes	1,202.48	839.02
Adjustment for changes in Working Capital :		
- (Decrease) / Increase in Trade Payables	(39.09)	61.73
- Decrease in Provisions	(0.39)	(0.81)
- Decrease in Other Financial Liabilities	-	(5.75)
- Increase in Other Non-Current Liabilities	-	34.34
- Increase / (Decrease) in Other Current Liabilities	8.99	(7.55)
- (Increase) / Decrease in Trade Receivables	(33.39)	153.41
- (Increase) / Decrease in Inventories	(1.50)	39.98
- Decrease in Loans	0.23	0.08
- Decrease / (Increase) in Other Financial Assets	17.09	(13.66)
- Decrease / (Increase) in Other Assets	50.86	(21.56)
Cash generated from Operations	1,205.28	1,079.23
Direct Taxes Paid (Net)	(171.79)	(116.52)
Net Cash generated from Operating Activities	1,033.49	962.71
B. Cash Flow From Investing Activities		
Payments to acquire Property, Plant and Equipment	(509.88)	(917.14)
Proceeds from disposal of Property, Plant and Equipment	0.49	0.29
Investments in Subsidiaries	-	(0.10)
Investments in Associates	-	(1.27)
Purchase/Sale of Investments - Others (Net)	(503.81)	(1,217.37)
(Decrease)/Increase in Other Bank Balances	(100.00)	350.01
Interest Received	20.89	42.24
Net Cash used in Investing Activities	(1,092.31)	(1,743.34)
C. Cash Flow From Financing Activities		
Proceeds of Term Loan from Banks	150.00	-
Repayment of Short Term Borrowings (Net)	(1.23)	(11.85)
Payment of Lease Obligations		
- Principal Payments of lease liabilities	(2.90)	(2.85)
Capital Contribution from Holding Company - ESOP	(0.27)	(0.67)
Redemption of Debenture	(3.00)	(3.00)
Payment of Finance Costs	(85.36)	(154.03)
Net Cash generated / (used) in Financing Activities	57.24	(172.40)
Net decrease in Cash and Cash equivalents	(1.58)	(953.03)
Add: Cash and Cash Equivalents at the beginning of the Year	34.78	987.81
Cash and Cash Equivalents at the end of the Year before fair value gain on liquid investments	33.20	34.78
Add: Fair value gain on Liquid Investments	0.12	*
Cash and Cash Equivalents at the end of the Year	33.32	34.78

* Amount is below the rounding off norm adopted by the Company

UTKAL ALUMINA INTERNATIONAL LIMITED
Cash Flow Statement for the Year Ended March 31, 2021

Supplemental Information:	As at	
	March 31, 2021	March 31, 2020
(i) Cash and Cash Equivalents comprise:		
Balances with Banks		
-In current accounts	0.01	2.78
-Debit Balance in Cash Credit accounts	4.83	-
Short-Term Liquid Investments in Mutual Funds	28.48	32.00
	33.32	34.78

(ii) Statement of Net Debt Reconciliation

	Liabilities from financing activities		
	Term Loan from Banks **	Current Borrowings	Lease Obligations
Balance as at March 31, 2019	2,401.81	14.88	-
Recognised on adoption of Ind As 116	-	-	5.08
Balance as at April 01, 2019	2,401.81	14.88	5.08
Accrued interest but not due as at April 01, 2019	17.35	-	-
Cash Flow (Net)	-	(11.85)	(2.85)
Non Cash Changes			
Acquisition - leases	-	-	0.32
Fair Value Changes	(1.04)	-	-
Debt issuance costs and amortisation	15.35	-	-
Others*	-	-	(0.10)
Interest Expense	197.70	0.20	0.29
Interest Paid	(198.99)	(0.18)	(0.29)
Balance as at March 31, 2020	2,432.18	3.04	2.44

* On account of Disposal / Termination

** Borrowings include interest accrued but not due on borrowings.

Balance as at April 01, 2020	2,416.12	3.04	2.44
Accrued interest but not due as at April 01, 2020	16.06	-	-
Cash Flow (Net)	150.00	(1.23)	(2.54)
Non Cash Changes			
Acquisition - leases	-	-	4.93
Fair Value Changes	(30.78)	-	-
Debt issuance costs and amortisation	18.84	-	-
Others*	-	-	-
Interest Expense #	173.63	0.07	0.36
Interest Paid #	(174.93)	(0.07)	(0.36)
Balance as at March 31, 2021	2,568.94	1.81	4.83

* On account of Disposal / Termination

** Borrowings include interest accrued but not due on borrowings.

Gross interest amounts before capitalisation.

(iii) Total Cash Outflow for Leases for the Year Ended March 31, 2021 is ₹ 2.90 Crore (Year Ended March 31, 2020 is ₹ 3.14 Crore)

(iv) Non Cash Financing & Investing Activities	As at	
	March 31, 2021	March 31, 2020
Acquisition of Right of Use Assets	4.93	0.32
	4.93	0.32

Basis of Preparation and Significant Accounting Policies

1

The accompanying notes are integral part of the Financial statements

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration Number: 302049E

For and on behalf of the Board of Directors of

Utkal Alumina International Limited

Navindra Kumar Surana

Partner

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DIN:00194571

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Sudhakar Biswal

Chief Financial Officer

Sunita Narayan

Company Secretary

Place: Kolkata

Date : April 30, 2021

Place: Mumbai

Date : April 30, 2021

UTKAL ALUMINA INTERNATIONAL LIMITED
Notes annexed to and forming part of the Financial Statements

1. Company Overview

Utkal Alumina International Limited (“the Company”) was incorporated in India in the year 1993 and has its registered office at J-6 Jaydev Vihar, Bhubaneswar, Odisha 751013. The Company is engaged in manufacturing of Alumina. Hindalco Industries Limited, the holding company owned 100% of the Equity Share Capital.

The financial statements are approved for issue by the Company’s Board of Directors on April 30, 2021.

1A. Basis of preparation

These financial Statements relate to Utkal Alumina International Limited comply in all material aspects with Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act 2013 (“the Act”), read with the Companies (Indian Accounting Standard) Rules, as amended from time to time and other relevant provision of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Ministry of Corporate Affairs on July 24, 2020 notified the Companies (Indian Accounting Standards) Amendment Rules, 2020, thereby amending the Rules of 2015. The Company has applied the following amendment for the first time during the year 2020-21:

The amendment introduces following changes to the Rules:

IND AS 103- Business Combination: Have defined “business” in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.

IND AS 107-Disclosures to be made in respect of financial instruments: Introducing a provision specifying the disclosures to be made where there is uncertainty due to Interest Rate Benchmark Reform

IND AS 109-Financial reporting of financial assets and financial liabilities: Providing detailed provisions for temporary exceptions from applying specific hedge accounting requirements and transition for hedge accounting.

IND AS 116 -Accounting for Leases: Related Rent concession- a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modifications or not.

IND AS 1 & 8 -Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors: Changes have been made to the definition of 'material' in relation to material information.

IND AS 10 -Events after the Reporting Period: Apart from disclosure of non-adjusting event, the disclosure of an estimate of its financial effect should be made, or a statement that such an estimate cannot be made.

IND AS 37 -Provisions, Contingent Liabilities and Contingent Assets: Clarification on accounting for restructuring plans.

UTKAL ALUMINA INTERNATIONAL LIMITED
Notes annexed to and forming part of the Financial Statements

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

The financial statements have been prepared under the historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value:

- Financial instruments - Measured at fair value;
- Plan assets under defined benefit plans - Measured at fair value; and
- Employee share-based payments - Measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statement is determined on such a basis, except for share-based payment transactions, leasing transactions and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Inventories or value in use in Impairment of Assets. The basis of fair valuation of these items are given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements have been presented in Indian Rupees (INR), which is the Company's Functional Currency. All Financial information presented in INR has been rounded off to nearest two decimals of crore, unless otherwise indicated.

Use of Estimates and Management Judgments

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities, and the disclosure of contingent liabilities as at the date of the financial statements, and the amounts of revenue and expenses during the reported period. Actual

UTKAL ALUMINA INTERNATIONAL LIMITED
Notes annexed to and forming part of the Financial Statements

results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

1B. Significant accounting policies

A Summary of significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

a. Property, Plant and Equipment

Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The initial cost at cash price equivalence of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

The cost of Property, plant and equipment includes estimated restoration costs associated with the assets.

Capital work-in-progress

Capital work-in-progress assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Depreciation

Depreciation is charged so as to write off the cost net of their estimated residual value, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any

UTKAL ALUMINA INTERNATIONAL LIMITED
Notes annexed to and forming part of the Financial Statements

changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the others components of the asset.

Freehold land is not depreciated.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in property and accumulated depreciation accounts are retained fully until they are removed from service.

Disposal of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Mining Reserves, Resources and Rights

Mineral reserves, resources and rights (together Mining rights) which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Exploitable mineral rights are amortised using the unit of production basis over the commercially recoverable reserves. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner. Commercially recoverable reserves are proved and probable reserves. Changes in the commercial recoverable reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Stripping Cost

The stripping cost incurred during the production phase of mines is recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and following criteria are met.

- It is probable that the future economic benefits (improved access to ore body) associated with the stripping activity will flow to the entity
- The entity can identify the component of the ore body for which access has been improved , and
- The costs relating to the improved access to that component can be measured reliably

The stripping activity asset is subsequently amortised on a unit of production basis over the life of the identified component of the ore body. The expenditure which cannot be specifically identified to have been incurred to access ore is charged to revenue, based on stripping ratio as per the mining plan.

b. Intangible Assets

Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

UTKAL ALUMINA INTERNATIONAL LIMITED
Notes annexed to and forming part of the Financial Statements

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

c. Impairment

Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

d. Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at their respective functional currency at the exchange rates prevailing at the date, the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception of the following:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

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- exchange differences on transactions entered into in order to hedge certain foreign currency risks

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

e. Provisions and contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable (“more likely than not”) that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

The amortisation or “unwinding” of the discount applied in establishing the provision is charged to the income statement in each accounting period. The amortisation of the discount is shown within “Finance items” in the Income Statement.

Restoration, rehabilitation and decommissioning

Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within “Property, plant and equipment”.

Environmental liabilities

Environment liabilities are recognised when the company becomes obliged, legally or constructively to rectify environmental damage or perform remediation work.

Litigation

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company’s financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

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f. Leases

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

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- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

g. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads.

Cost is determined using the weighted average cost basis. The same cost basis is applied to all inventories of a particular class. Inventories of stores and spare parts are valued at weighted average cost basis after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

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However, materials and other supplies held for use in the production of inventories (finished goods, work-in-progress) are not written down below the cost if the finished products in which they will be used are expected to sell at or below the cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

h. Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115.

i. Financial Instruments

All financial assets are recognised on trade date when the purchase of a financial asset is under a contract whose term requires delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets which are classified at fair value through profit or loss (FVTPL) at inception. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under Ind AS 32 Financial Instruments: Presentation). All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

Debt instruments are measured at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest recognised on an effective yield basis in investment income.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Debt instruments are measured at FVTOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and selling assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in investment income. When the debt instrument is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit and loss account as a reclassification adjustment.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the investments revaluation reserve is directly reclassified to retained earnings.

For equity instruments measured at fair value through other comprehensive income no impairments are recognised in the statement of profit and loss.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Financial assets at FVTPL

Financial assets that do not meet the criteria of classifying as amortised cost or fair value through other comprehensive income described above, or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

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Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading at FVTOCI at initial recognition.

Financial assets classified at FVTPL are initially measured at fair value excluding transaction costs.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss. The net gain or loss recognised in the statement of profit and loss is included in the 'other income' / 'other expenses'.

Income on debt instruments at FVTPL is included in the net gain or loss described above.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

Impairment of financial assets

On initial recognition of the financial assets, a loss allowance for expected credit loss is recognised for debt instruments at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income in the statement of profit and loss and does not reduce the carrying amount of the financial asset in the balance sheet.

Expected credit loss of a financial instrument is measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor

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retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible instruments) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired or incurred principally for the purpose of repurchasing it in the near term; or

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- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may also be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 Financial Instruments permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

The net gain or loss recognised in the statement of profit and loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

j. Derivative Financial Instruments

The Company uses derivative financial instruments to hedge its risks associated with foreign exchange transactions arising from procurement of capital assets. The fair value of those derivative

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financial instruments is recognised as assets or liabilities at the balance sheet date. Such derivative instruments are used as risk management tools and not for speculative purposes.

For derivative financial instruments designated as Cash flow hedges and where the exposure gives rise to non-financial asset, the effective portion of fair value of such instruments are recognised in the Hedging Reserve Account and reclassified to the initial carrying amount of the non-financial asset as a 'basis adjustment'. The ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise.

If the hedge relationship ceases to be effective, hedge accounting is discontinued and fair value changes arising from such instruments are recognised in the Statement of Profit and Loss in the period in which they arise. If it becomes evident that a hedged transaction is no longer highly probable, hedge accounting is discontinued and fair value changes arising from those instruments are recognised in the Statement of Profit and Loss in the period in which they arise.

For derivative financial instruments that are not designated in a hedge relationship, the fair value of the derivative financial instruments is marked to market through the Statement of Profit and Loss.

k. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less which are readily convertible in cash and subject to insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

l. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Transaction cost in respect of long-term borrowings are amortised over the tenure of respective loans using effective interest method. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

m. Employee Benefits

Retirement benefit costs and termination benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

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n. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in India where the Company operates and generate taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities using a weighted average probability.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount

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of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Current and deferred tax for the period

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

o. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

p. Revenue recognition

The Company derives revenue principally from sale of Alumina. The Company recognises revenue when all the following criteria are satisfied:

- I. persuasive evidence of a contract with the customer exists;
- II. the performance obligations under the contract have been identified; and
- III. Control of goods or service is transferred to the customer.

Revenue represents the net invoice value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates etc.

Control is specified as the ability to direct the use of the asset, to obtain benefits from the assets and to prevent others from doing so.

Revenue excludes any taxes and duties collected on behalf of the Government.

In other contracts, revenue is recognised when control is transferred based on the terms of contract which may either be point of sale (i.e. the plant) or where the goods is to be delivered to the destination specified by the customer, which is typically the vessel on which it is shipped, where the goods is delivered. In contracts where control is transferred at the point of sale and the Company provides transportation service, the transport service is treated as a distinct separate performance obligation under the contract and the same is recognised as revenue when the said performance obligation is completed. In case arrangement of transportation which is not part of consideration, the reimbursement of actual freight is adjusted with cost incurred.

In case of related party transactions where related party meets the definition of customer (ie a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activity in exchange for consideration) and the transactions are within the scope of the standard then the revenue is recognised based on the principles of Ind AS 115.

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

Claim on insurance companies, railway authorities and others, where quantum of accruals cannot be ascertained with reasonably certainty, are accounted for on acceptance basis.

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q. Dividend/Interest Income:

Dividend income is recorded when the right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

r. Equity Share Based Payment

The Parent Company (Hindalco) issues equity-settled share-based payments linked to its equity shares to certain employees of the Company for the services received by the Company from its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on estimate of equity instruments that will eventually vest with a corresponding credit to equity.

On a periodic basis, Hindalco recharges to the Company certain amount for the above share based payments which are adjusted from equity accordingly.

s. Financial Guarantee Contract

Financial guarantee contract provided to the lenders of the Company by its Parent Company is measured at their fair values and benefit of such financial guarantee is recognised to equity as a capital contribution from the parent.

t. Exceptional Item

Exceptional items include income or expense that are considered to be part of ordinary activities, however are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

u. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

v. Accounting for government grants

Government grants are recognized when there is reasonable assurance that we will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance

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sheet by setting up the grant as deferred income and its amortization is recognized in 'Other Income'.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the statement of profit and loss in the period in which they become receivable.

Grants related to income are presented under 'Other Income' or 'Other Operating Revenue' in the statement of profit and loss, except for grants received in the form of rebate or exemptions which are deducted in reporting the related expense.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

1C. Measurement of fair value

- a. **Financial instruments** -The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.
- b. **Marketable and non-marketable equity securities** - Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.
- c. **Derivatives** - Fair value of financial derivatives is estimated as the present value of future cash flows, calculated by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.
- d. **Embedded derivatives** - Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the balance sheet and in the income statement.

1D.Critical accounting judgment and key sources of estimation uncertainty

The application of accounting policies requires management to make estimates and judgments in determining certain revenues, expenses, assets, and liabilities. The following paragraphs explain areas that are considered more critical, involving a higher degree of judgment and complexity.

- a. **Impairment of non-current assets** - Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include internal and external factors such as significant changes in the Company's planned use of the

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assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. The Company has identified the entire plant as its CGU.

Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, operating expenses and tax and legal systems. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed over the period of three years with projections thereafter. For calculating value in use, cash flows are generally increased by expected inflation.

- b. Employee retirement plans** – The Company provides both defined benefit employee retirement plans and defined contribution plans. Measurement of pension and other superannuation costs and obligations under such plans require numerous assumptions and estimates that can have a significant impact on the recognized costs and obligation, such as future salary level, discount rate, attrition rate and mortality.

Government bond yield is considered as discount rate. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost.

- c. Environmental liabilities and Asset Retirement Obligation (ARO)** – Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs.
- d. Taxes** – The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.
- e. Extension and termination option in leases**– Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

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- f. Useful lives of Property, Plant and Equipment and Intangible assets** - Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of IT equipment, software and other plant and equipment.
- g. Recoverability of Advances/Receivables-** At each Balance Sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgment based on financial position of the counter-parties, market information and other relevant factors.
- h. Fair Value Measurements** - The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated Fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- i. Contingent Assets and Liabilities, Uncertain Assets and Liabilities-** Liabilities that are uncertain in timing or amount are recognized when a liability arises from a past event and An outflow of cash or other resources is probable and can be reasonably estimated. Contingent liabilities are possible obligations where a future event will determine whether the Company will be required to make a payment to settle the liability, or where the size of the payment cannot be determined reliably. Material contingent liabilities are disclosed unless a future payment is considered remote. Evaluation of uncertain liabilities and contingent liabilities and assets requires judgment and assumptions regarding the probability of realisation and the timing and amount, or range of amounts, that may ultimately be incurred. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts.
- j. Significant judgments when applying Ind AS 115** - Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- k. Inventory Measurement** –Measurement of bulk inventory quantities (such as Coal, Bauxite etc) lying at the yards and work in process of refinery is material, complex and involve significant judgment and estimates resulting from measuring the surface area, dip measurement of material in tank/silos etc.

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The Company performs physical verification of the above inventory on a periodic basis using internal/external experts to perform volumetric survey and assessment basis which the estimate of quantity for these inventories is determined. The variance noted between book records and physical quantities of above inventories are evaluated and appropriately accounted/adjusted in the books of accounts.

- I. Estimation uncertainty relating to the global health pandemic on COVID-19-** The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, the recoverability of property plant and equipments, receivables, intangible assets, cash and cash equivalent and investments. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19

- 1E Recent pronouncements** - On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowing.
- Security Deposits to be shown under the head of Other Non Current Assets instead of Long term Loan & Advances.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

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- **Ratios**-Following Ratios to be disclosed: -
(a) Current Ratio,(b) Debt-Equity Ratio,(c) Debt Service Coverage Ratio,(d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio,(i) Net profit ratio,(j) Return on Capital employed, (k) Return on investment

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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All amounts in ₹ Crore, unless otherwise stated

2 Property, Plant and Equipment

Assets	Useful lives in Years	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at April 1, 2020	Additions During the Year	Disposal/ Adjustments During the Year	As at March 31, 2021	As at April 1, 2020	Additions During the Year	Disposal/ Adjustments During the Year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Freehold land		0.19	-	-	0.19	-	-	-	-	0.19	0.19
Leasehold land improvements	90	119.45	-	-	119.45	10.10	1.32	-	11.42	108.03	109.35
Buildings	3-60	1,801.88	21.78	-	1,823.66	392.48	63.65	-	456.13	1,367.53	1,409.40
Plant and Equipment	3-40	6,304.92	9.56	-	6,314.48	1,324.17	223.96	-	1,548.13	4,766.35	4,980.75
Vehicles	4-10	7.69	0.69	(1.31)	7.07	2.45	1.10	(0.72)	2.83	4.24	5.24
Furniture and Fixture	10	11.40	0.87	(0.24)	12.03	6.40	0.94	(0.22)	7.12	4.91	5.00
Office Equipment	3-6	6.13	1.05	(0.37)	6.81	4.55	0.67	(0.35)	4.87	1.94	1.58
Railway Wagons	15	146.38	-	-	146.38	46.99	9.24	-	56.23	90.15	99.39
Total [a]		8,398.04	33.95	(1.92)	8,430.07	1,787.14	300.88	(1.29)	2,086.73	6,343.34	6,610.90
Right-of-Use assets											
Lease Hold Land		81.00	-	-	81.00	1.23	1.23	-	2.46	78.54	79.77
Buildings		0.33	0.01	(0.01)	0.33	0.08	0.13	-	0.21	0.12	0.25
Plant and Machinery		-	4.93	-	4.93	-	2.46	-	2.46	2.47	-
Total [b]		81.33	4.94	(0.01)	86.26	1.31	3.82	-	5.13	81.13	80.02
Grand Total [a]+[b]		8,479.37	38.89	(1.93)	8,516.33	1,788.45	304.70	(1.29)	2,091.86	6,424.47	6,690.92

Assets	Useful lives in Years	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
		As at April 01, 2019	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2020	As at April 01, 2019	Additions During the year	Disposal/ Adjustments During the year	As at March 31, 2020	As at March 31, 2020	As at April 01, 2019
Freehold land		0.19	-	-	0.19	-	-	-	-	0.19	0.19
Leasehold land improvements	90	119.45	-	-	119.45	8.78	1.32	-	10.10	109.35	110.67
Buildings	3-60	1,783.22	18.66	-	1,801.88	329.45	63.03	-	392.48	1,409.40	1,453.77
Plant and Equipment	3-40	6,268.68	36.24	-	6,304.92	1,101.03	223.14	-	1,324.17	4,980.75	5,167.65
Vehicles	4-10	5.75	2.54	(0.60)	7.69	1.67	1.13	(0.35)	2.45	5.24	4.08
Furniture and Fixture	10	10.52	0.89	(0.01)	11.40	5.52	0.89	(0.01)	6.40	5.00	5.00
Office Equipment	3-6	5.01	1.14	(0.02)	6.13	3.99	0.58	(0.02)	4.55	1.58	1.02
Railway Wagons	15	123.29	23.09	-	146.38	39.09	7.90	-	46.99	99.39	84.20
Total [a]		8,316.11	82.56	(0.63)	8,398.04	1,489.53	297.99	(0.38)	1,787.14	6,610.90	6,826.58
Right-of-Use assets											
Lease Hold Land		81.00	-	-	81.00	-	1.23	-	1.23	79.77	81.00
Buildings		0.14	0.32	(0.13)	0.33	-	0.12	(0.04)	0.08	0.25	0.14
Plant and Machinery		2.59	-	(2.59)	-	-	2.57	(2.57)	-	(0.00)	2.59
Total [b]		83.73	0.32	(2.72)	81.33	-	3.92	(2.61)	1.31	80.02	83.73
Grand Total [a]+[b]		8,399.84	82.88	(3.35)	8,479.37	1,489.53	301.91	(2.99)	1,788.45	6,690.92	6,910.31

a. All the immovable properties, movable assets (including movable machinery, machinery spares, tools and accessories therein) both present and future (excluding assets taken on finance lease and the forest land and land surrendered for rehabilitation and resettlement colony) are having first ranking pari passu charge / mortgage/ Security Interest against the Term Loan taken by the Company.

The Company has contractual commitments for capital expenditure [Refer note 46 B]

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All amounts in ₹ Crore, unless otherwise stated

Capital Work-in-Progress

	As at	
	March 31, 2021	March 31, 2020
Carrying amount at the beginning of the Year	1,324.47	299.49
Addition during the Year	511.27	1,107.54
Capitalised during the Year	(33.95)	(82.56)
Carrying amount at the end of the Year	1,801.79	1,324.47

a. Capital Work-in-Progress as at March 31, 2021 mainly comprises of basic engineering works and enterprise social commitment of refinery expansion project, plant and equipment for alumina refinery, recreational projects and residential township for employees of the Company.(As at March 31, 2020 mainly comprises of basic engineering works and enterprise social commitment of refinery expansion project,multipurpose townhall and plant and equipment for alumina refinery and residential township for employees of the Company).

3 Intangible Assets

Assets	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at April 1, 2020	Additions During the Year	Disposal/ Adjustments During the Year	As at March 31, 2021	As at April 1, 2020	Additions During the Year	Disposal/ Adjustments During the Year	As at March 31, 2021	As at March 31, 2021	As at April 1, 2020
Computer Software	0.39	-	-	0.39	0.33	0.02	-	0.35	0.06	0.08
Mining Lease and Development Rights	93.70	-	(4.15)	89.55	18.03	2.30	-	20.33	69.22	75.67
Total	94.09	-	(4.15)	89.94	18.36	2.32	-	20.68	69.28	75.75

Assets	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at April 1, 2019	Additions During the Year	Disposal/ Adjustments During the Year	As at March 31, 2020	As at April 1, 2019	Additions During the Year	Disposal/ Adjustments During the Year	As at March 31, 2020	As at March 31, 2020	As at April 1, 2019
Computer Software	0.33	0.06	-	0.39	0.31	0.02	-	0.33	0.08	0.03
Mining Lease and Development Rights	93.70	-	-	93.70	15.72	2.31	-	18.03	75.67	77.98
Total	94.03	0.06	-	94.09	16.03	2.33	-	18.36	75.75	78.01

- a. Computer Software consists primarily of Software cost associated with an Enterprises Resources Planning (ERP Tool). Computer Software is amortized over their estimated useful life using straight line method which reflects the pattern in which the economic benefits are expected to be consumed and have a useful life of 5 years.
- b. Mining lease and development rights represent contractual entitlements to certain tonnes of bauxite. The mining lease and development rights are amortised on a Unit-of-Production basis over the estimated remaining mining reserve.

4 Investment in Subsidiaries

	Face value Per Unit	Numbers As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in Equity Shares at Cost [Fully Paid-Up]					
Unquoted					
Utkal Alumina Social Welfare Foundation	₹ 10	1,00,000	1,00,000	0.10	0.10
				<u>0.10</u>	<u>0.10</u>

5 Investment in Associates

	Face value Per Unit	Numbers As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in Equity Shares [Fully Paid-Up] at FVTOCI					
Unquoted					
Aditya Birla Renewables Utkal Limited	₹ 10	12,74,000	12,74,000	1.27	1.27
				<u>1.27</u>	<u>1.27</u>
Aggregate Cost of Unquoted investments				1.27	1.27

6 Other Investments

(i) Other Investments : Non-Current

	Face value Per Unit	Numbers As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Debt Instruments at FVTPL					
Unquoted					
Preference shares					
7% Redeemable Non Cumulative Non Convertible Preference Shares of Aditya Birla Health Services Limited [Redeemable with in 15 years from the allotment date March 29, 2019]	₹ 100	25,00,000	25,00,000	24.94	25.01
				<u>24.94</u>	<u>25.01</u>
Aggregate Cost of Unquoted investments				25.00	25.00

(ii) Other Investments : Current

	As at	
	March 31, 2021	March 31, 2020
Investments in Mutual Funds at FVTPL (a)		
Quoted		
Investments in Debt Scheme of Mutual Funds	1,940.85	1,320.58
	<u>1,940.85</u>	<u>1,320.58</u>

a. Aggregate amount of Quoted Investments and market value are given below

Aggregate cost of quoted investments	1,925.73	1,258.54
Aggregate market value of quoted investments	1,940.85	1,320.58

7 Loans

(i) Loans : Non-Current

	As at	
	March 31, 2021	March 31, 2020
Unsecured, Considered Good		
Loans to Employees [Refer note 'a' below]	0.18	0.23
	<u>0.18</u>	<u>0.23</u>

(ii) Loans : Current

Unsecured, Considered Good		
Loans to Employees [Refer note 'a' below]	0.13	0.31
	<u>0.13</u>	<u>0.31</u>

a. Loans to employees mainly includes vehicle loans.

8 Other Financial Assets

(i) Other Financial Assets : Non-Current

	As at	
	March 31, 2021	March 31, 2020
Security Deposits [Refer note 'a' below]	3.81	3.80
Deposit with others [Refer note 40 I]	6.31	15.95
	10.12	19.75

(ii) Other Financial Assets : Current

Accrued Interest	12.04	15.95
Security Deposits [Refer note 'a' below]	0.44	0.43
Derivative Assets	0.05	0.30
Other Receivables [Refer note 'b' below]	17.19	24.65
	29.72	41.33

- a. Security deposits mainly includes utility deposits and term deposits that are held as lien with Harabhanghi Irrigation Division/Deputy Director of Mines. These deposits are held for purposes other than financing.
- b. Other Receivables mainly includes ₹ Nil Crore (As at March 31, 2020 : ₹ 2.03 Crore) receivable against re-imbursement of expenses incurred on behalf of the related party, ₹ 16.79 Crore (As at March 31, 2020 : ₹ 16.79 Crore) recoverable on account of Cess under BOCW Act, ₹ 0.15 Crore (As at March 31, 2020 : ₹ 5.58 Crore) receivable from related parties.

9 Deferred Tax (Liabilities)/Assets

	As at	
	March 31, 2021	March 31, 2020
Deferred Tax Assets	1,129.23	1,289.48
Deferred Tax Liabilities	1,368.31	1,354.76
Net Deferred Tax (Liability) / Assets	(239.08)	(65.28)
Net Deferred Tax (Liability) / Assets Recognised [Refer note 'a,b&c' below]	(239.08)	(65.28)

- a. Company has recognised deferred tax assets amounting to ₹ 1129.23 Crore (As at March 31, 2020 : ₹ 1289.48 Crore) in respect of temporary differences arising mainly on account of unused tax credit and carried forward unabsorbed depreciation under income tax act which are adjusted against deferred tax liability amounting to ₹ 1368.31 Crore (As at March 31, 2020 : ₹ 1354.76 Crore) arising mainly on account of depreciation.
- b. The company has recognised the MAT credit as there is reasonable certainty supported by convincing evidence that sufficient taxable profit will be available in future against which the MAT credit will be recovered.
- c. In pursuance to section 115BAA of the Income Tax Act, 1961 notified by Government of India through Taxation Laws (Amendment) Act 2019, the company has an irrevocable option of shifting to lower tax rate of 22% (plus applicable surcharge and cess) foregoing other tax incentives. The Company is having unabsorbed depreciation and unutilized MAT credit accumulation as on the reporting date and continue to accumulate MAT credit in coming years. The company is also entitled for deduction under 80IA till FY 2027-28. Based on the projections prepared by the management, including its plan for future capital expenditure for capacity enhancement, the company expects to recover or adjust the MAT Credit and unabsorbed depreciation in next 10+ years (MAT is eligible for adjustment in 15 year). It is difficult to appropriately evidence that from which year and how much deferred tax will be realized/settled based on new tax rate regime consequently the company has not exercised this option during the year and continues to recognize the taxes on income for year ended 31st March 2021 as per the existing normal tax rate of 30% (plus applicable surcharge and cess). The Company will review the above position at each year end.

d. Deferred tax assets/ (liabilities) arise from:

Deferred income tax assets

Provision for Employee benefits	3.37	2.43
Other Timing Differences	49.15	50.41
Carried forward Unabsorbed depreciation	420.61	745.73
Transitional impact on retained earnings due to Ind AS 116	-	0.04
MAT Credit Entitlement (Refer note b above)	656.10	490.87
	1,129.23	1,289.48

Deferred income tax liabilities

Depreciation and Amortization	1,319.20	1,293.83
Fair value measurements of financial instruments	5.27	22.31
Others	43.84	38.62
	1,368.31	1,354.76

10 Non-Current Tax Assets (Net)

	As at	
	March 31, 2021	March 31, 2020
Income Tax Assets (net)	-	2.69
	-	2.69

As at March 31, 2021 Non Current Tax Assets of ₹ Nil Crore (As at March 31, 2020, ₹ 2.69 Crore) relating to refund due from income tax authorities of earlier years for which assessment is pending at different forums.

11 Other Assets

	As at	
	March 31, 2021	March 31, 2020
(i) Other Non-Current Assets		
Capital Advances	27.53	57.35
Advances to Suppliers	3.19	9.24
Prepaid Expenses	2.40	1.45
	33.12	68.04
(ii) Other Current Assets		
Advances to Suppliers	52.19	50.42
Prepaid Expenses	13.57	12.66
Balance with Government and Other Authorities	7.84	52.07
Others [Refer note 'a' below]	1.65	1.97
	75.25	117.12

a. Mainly includes amount paid under protest to statutory authorities ₹ 1.65 Crore (As on March 31, 2020 ₹ 1.65 Crore) and ₹ Nil (As on March 31, 2020 ₹ 0.32 Crore) interest on income tax refund receivable from taxation authorities pertaining to earlier years.

12 Inventories

	As at March 31, 2021			As at March 31, 2020		
	In Hand	In Transit	Total	In Hand	In Transit	Total
Stores and Spares [Refer note 'a' below]	48.76	0.72	49.48	49.82	1.04	50.86
Packing Material	0.92	-	0.92	0.26	-	0.26
Raw Materials	17.56	20.91	38.47	19.77	27.85	47.62
Coal and Fuel	57.44	4.89	62.33	53.21	4.81	58.02
Work-in-Progress	192.63	-	192.63	177.30	-	177.30
Finished Goods	20.91	-	20.91	32.60	-	32.60
	338.22	26.52	364.74	332.96	33.70	366.66

a. During the Year ended March 31, 2021, the Company has made provision of ₹ 3.42 Crore (Year ended March 31, 2020 : ₹ 4.08 Crore) towards slow moving spares. Due to this adjustment, the inventory of Stores and Spares has reduced by ₹ 16.45 Crore (As at March 31, 2020 : ₹ 13.03 Crore) with corresponding adjustment in 'Consumption of Stores and Spares' in the Statement of Profit and Loss for the Year.

b. Entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and stock-in trade pertaining to the company's business, both present and future are having first ranking pari passu charge / mortgage/ Security Interest against the Cash Credit facilities availed by the Company.

13 Trade Receivables

Unsecured, Considered Good

	As at	
	March 31, 2021	March 31, 2020
Receivables from related parties [Refer note '40' & 'a' below]	273.39	240.00
	273.39	240.00

a. As per management assessment, no provision is made for expected credit loss due to low credit risk of receivables. Further management has also considered past experience of losses on receivables. The Company has not recognised provision for doubtful receivables in any of the previous periods.

14 Cash and Cash Equivalents

	As at	
	March 31, 2021	March 31, 2020
Balances with Banks		
-In current accounts	0.01	2.78
-Debit Balance in Cash Credit accounts	4.83	-
Liquid Investments in Mutual Funds	28.48	32.00
	33.32	34.78

a. There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior years.

15 Bank Balances other than Cash and Cash Equivalents

	As at	
	March 31, 2021	March 31, 2020
Term Deposits with less than 12 months maturity	350.00	250.00
	350.00	250.00

16 Equity Share Capital

	As at	
	March 31, 2021	March 31, 2020
Authorized Share Capital		
7,470,000,000 (As at March 31, 2020 : 7,470,000,000) equity shares of ₹ 10 each	7,470.00	7,470.00
30,000,000 (As at March 31, 2020 : 30,000,000) preference shares of ₹ 10 each	30.00	30.00
	7,500.00	7,500.00
Issued, Subscribed and Paid up Share Capital		
6,251,482,818 (As at March 31, 2020 : 6,251,482,818) equity shares of ₹ 10 each fully paid up	6,251.48	6,251.48
	6,251.48	6,251.48

a. Reconciliation of the Equity Shares outstanding at the beginning and at the end of the reporting period :-

	As at March 31, 2021		As at March 31, 2020	
	Nos.	₹ in Crore	Nos.	₹ in Crore
At the beginning of the Year	6,25,14,82,818	6,251.48	6,25,14,82,818	6,251.48
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	6,25,14,82,818	6,251.48	6,25,14,82,818	6,251.48

b. Terms and rights attached to equity shares:-

The Company has one class of equity shares having a par value of ₹ 10 per share. Every shareholder is eligible to one vote per each share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share.

c. Details of shareholders more than 5% of the aggregate shares in the Company and shares held by Holding Company:-

Entire issued, subscribed and paid up equity shares are held by Hindalco Industries Limited, the Company, and its nominees.

17 Other Equity

	As at	
	March 31, 2021	March 31, 2020
Retained Earnings [Refer note 'a' below']	1,665.62	1,061.42
Capital Contribution from Holding Company [Refer note 'b' below']	74.42	74.41
Other Comprehensive income / (Loss) [Refer note 'c' below']	-	-
	1,740.04	1,135.83

a. Retained Earnings

	As at	
	March 31, 2021	March 31, 2020
Opening Balance	1,061.42	744.89
Net profit for the Year	605.47	317.41
Transitional impact of Ind AS 116	-	(0.08)
Items of Other Comprehensive Income recognised in Retained Earnings for the Year		
-Re-measurement loss on defined benefit obligation	(1.27)	(0.80)
Closing Balance	1,665.62	1,061.42

b. Capital Contribution from Holding Company #

Opening Balance	74.41	74.41
Share based payment expenses @	0.28	0.67
Re-payment towards Share based payment expenses	(0.27)	(0.67)
Closing Balance	74.42	74.41

c. Other Comprehensive Income / (Loss)

Items that will not be reclassified to Profit and Loss (Net of Income Tax Effect)

Opening Balance	-	-
Add: Re-measurement loss on defined benefit obligation	(1.27)	(0.80)
Less: Transfer to Retained Earnings	1.27	0.80
	-	-

Items that will be reclassified to Profit and Loss (Net of Income Tax Effect)

Opening Balance	-	(4.90)
Add: Cash flow hedges (Net of tax)	-	(1.55)
Less: Transferred to Non-Financial Assets (Net of tax)	-	6.45
	-	-
Closing Balance	-	-

@ The Holding Company, Hindalco Industries Limited awards its shares to certain employees of the company as per its equity settled shared based payment scheme for which it recharges the Company.

Capital Contribution from Holding Company includes ₹ 74.41 Crore (As at March 31, 2020 ₹ 74.41 Crore) which represents the fair value benefit of the financial guarantee benefit provided by the Holding Company in respect of the Term Loan availed by the Company, which has been withdrawn.

18 Borrowings
(i) Non-Current

	Maturity Date	As at March 31, 2021		
		Non-Current Portion	Current Maturities	Total
Secured, at Amortised Cost				
Term Loans				
From Banks [Refer note 'a' below]	September 30, 2030	2,404.18	-	2,404.18
From Banks [Refer note 'b' below]	September 30, 2030	150.00	-	150.00
		2,554.18	-	2,554.18

	Maturity Date	As at March 31, 2020		
		Non-Current Portion	Current Maturities	Total
Secured, at Amortised Cost				
Term Loans				
From Banks [Refer note 'a' below]	September 30, 2030	2,416.12	-	2,416.12
		2,416.12	-	2,416.12

Term loan from banks comprises the following:

	Rate of Interest	As at			
		March 31, 2021		March 31, 2020	
		Gross	Carrying Value	Gross	Carrying Value
	*Policy Repo Rate +275 bps				
	SBI MCLR (3 Months)+10 bps/ Axis Bank MCLR (1 Month)				
Axis Bank		635.25	626.34	635.25	632.49
State Bank of India	SBI MCLR (3 Months) +10 bps	1,436.25	1,427.34	1,436.25	1,432.07
State Bank of India	SBI MCLR (3 Months) +10 bps	352.50	350.50	352.50	351.56
State Bank of India	SBI MCLR (3 Months) +15 bps	150.00	150.00	-	-
		2,574.00	2,554.18	2,424.00	2,416.12

*Effective from 20th October 2020 onwards.

- a. The loan is secured by (a) first ranking pari passu mortgage/ Security Interest in respect of all the immovable properties (excluding the forest land and land surrendered for rehabilitation and resettlement colony) (b) first ranking charge on movable assets (including movable machinery, machinery spares, tools and accessories) both present and future, pertaining to the project (c) second charge on the current assets of the Company (excluding cash, cash equivalents and investments) both present and future.

Term Loans are repayable in 60 quarterly instalments as per the agreed repayment schedule commenced from December 31, 2015. During the year ended March 31, 2018, the Company had voluntarily prepaid all repayment instalments falling due from September 30, 2017 to September 30, 2025 in case of State Bank of India amounting to ₹ 1,726.14 Crore and all instalments up to June 30, 2025 in case of Axis Bank amounting to ₹ 553.58 Crore. The balance principal would be paid as per remaining repayment schedule in quarterly instalments up to September 30, 2030.

- b. The loan is secured by (a) first ranking pari passu mortgage/ Charge/ Security Interest in respect of all the immovable properties (excluding the forest land and land surrendered for rehabilitation and resettlement colony) (b) first ranking pari passu charge/ mortgage/ hypothecation/ Security Interest on movable assets (including movable machinery, machinery spares, tools and accessories) both present and future (c) second ranking pari passu charge on the current assets of the Company both present and future.

The Rupee Term Loan is repayable in 34 structured quarterly instalments starting from 18th month from the date of first drawdown.

18 Borrowings
(ii) Current

	Coupon Interest Rate	As at	
		March 31, 2021	March 31, 2020
Secured, at Amortised Cost			
From Banks			
Cash Credit repayable on demand (Refer Note 'a' below)	[Refer note 'b' below]	1.81	3.03
		1.81	3.03

- a. Cash Credit facilities with banks are availed under the consortium lending arrangement and are secured by (a) first pari-passu charge by hypothecation of investments classified as "held for trading", entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares, investments classified as "available for sale", stock-in trade and book debts pertaining to the company's business, both present and future and (b) second charge on the fixed assets of the Company.

- b. The borrowings carry floating interest rate at MCLR (ranging from 3 months to one year) + Spread (ranging from 25 bps to 55 bps).

19 Lease Liabilities

	As at	
	March 31, 2021	March 31, 2020
(i) Non-Current		
Long term maturities lease Obligations	2.03	2.21
	2.03	2.21
(ii) Current		
Current maturities of lease Obligations	2.80	0.23
	2.80	0.23

20 Provisions

	As at	
	March 31, 2021	March 31, 2020
(i) Non-Current portion of Provisions		
Employee Benefits		
Defined Benefit Plans	2.11	0.45
Others		
Asset Retirement Obligation for Redmud pond and Ash pond [Refer note 'a' and 'b' below]	10.93	10.14
Environmental Restoration (Greenbelt) [Refer note 'b' below]	3.03	0.32
Rehabilitation Cost relating to Mines [Refer note 'b' below]	9.08	23.68
Enterprise Social Commitments [Refer note 'b' below]	61.11	55.03
	86.26	89.62
(ii) Current portion of Provisions		
Employee Benefits		
Leave entitlement	6.84	7.28
Others		
Environmental Restoration (Greenbelt) [Refer note 'b' below]	0.33	0.52
Rehabilitation Cost relating to Mines [Refer note 'b' below]	6.63	2.25
Enterprise Social Commitments [Refer note 'b' below]	38.04	44.23
Other Provisions [Refer note 'b' below]	15.73	15.39
	67.57	69.67

a. ₹ 10.12 Crore (As at March 31, 2020 : ₹ 9.40 Crore) is towards Asset retirement obligation of Red mud pond and ₹ 0.81 Crore (As at March 31, 2020 : ₹ 0.74 Crore) towards Asset retirement obligation of Ash pond.

b. The Company provides for the estimated provision required to rehabilitate quarries and mines developed, restore the red mud pond and ash pond area and towards environmental restoration obligations for developing green belt adjacent to refinery and mining area and enterprise social commitments. The provisions involving considerable uncertainties towards amount and timing of outflow of economic resources. The provision is provided based on the discounted net present value. Movement in provision during the Year is as below:

	(i) Enterprise Social Commitments	(ii) Environmental Restoration (Greenbelt)	(iii) Asset Retirement Obligation for Redmud pond and Ash pond	(iii) Rehabilitation Cost relating to Mines	(iv) Renewable Power Obligation
As at April 01, 2020	99.26	0.84	10.14	25.93	15.39
Arising during the Year	4.29	4.08	-	-	0.75
Utilized during the Year	(7.50)	(1.70)	-	(6.07)	-
Reversed during the Year	(1.26)	-	-	(4.15)	(0.41)
Unwinding of discount during the Year	4.36	0.14	0.79	-	-
As at March 31, 2021	99.15	3.36	10.93	15.71	15.73
Current	38.04	0.33	-	6.63	15.73
Non-Current	61.11	3.03	10.93	9.08	-
	99.15	3.36	10.93	15.71	15.73
As at April 01, 2019	102.64	1.96	9.41	29.53	16.90
Arising during the year	-	-	-	-	-
Utilized during the year	(11.08)	(1.34)	-	(3.60)	-
Reversed during the year	-	-	-	-	(1.51)
Unwinding of discount during the year	7.70	0.22	0.73	-	-
As at March 31, 2020	99.26	0.84	10.14	25.93	15.39
Current	44.23	0.52	-	2.25	15.39
Non-Current	55.03	0.32	10.14	23.68	-
	99.26	0.84	10.14	25.93	15.39

Brief Description of Provisions:

(i) Enterprise Social Commitment:

Enterprise Social Commitment provision pertains to amount to be spent on social and economic development in the area where new project is being setup over the period, amount to be spent is proportionate to certain percentage of the total cost of the projects.

(ii) Environmental Liability:

Environmental Liability arise from various sources such as State, Local environmental statutes, regulations and ordinance. It may be related to compliance, remediation, compensate and other resources damages.

(iii) Assets Retirement Obligations:

An Asset Retirement Obligation (ARO) is a legal obligation associated with the retirement of a tangible asset in which the timing or method of settlement may be conditional on a future event, the occurrence of which may not be within the control of the entity burdened by the obligation.

(iv) Renewable Power Obligation:

Obligations have been imposed on captive power producing units to purchase energy from renewable sources by various state electricity regulatory commissions based on each state's varying renewable energy potentials, known as renewable purchase obligations (RPOs). Captive power plants are bound to meet them by purchasing a certain percentage of their requirements from renewable energy sources.

21 Trade and other Payables

	As at	
	March 31, 2021	March 31, 2020
Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises; and	5.96	1.37
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	187.18	230.49
Accrued Payroll	5.39	5.48
	198.53	237.34

22 Other Financial Liabilities : Current

	As at	
	March 31, 2021	March 31, 2020
Capital Creditors [Refer note 'a' below]	176.47	197.16
Interest accrued but not due on borrowings	14.76	16.06
Debentures [Refer note 'b' below]	3.00	3.00
Derivative Liability	0.17	0.70
Other	0.04	0.03
	194.44	216.95

a. Capital creditors includes an amount of ₹ 20 Crore payable to Orissa Mining Corporation Limited (OMCL) pursuant to an agreement dated October 1, 2007 and subsequent addendum dated January 31, 2011 ('The agreement'). Pursuant to the above agreement, the Company has agreed to issue 15% Fully Convertible Cumulative Preference Shares amounting to ₹ 20 Crore with face value of ₹ 10 each at par in consideration for transfer of prospecting license, mining leases and all rights thereto, rendering of related technical services etc. by OMCL. These preference shares are redeemable to the extent the same are not converted to equity shares. Pending issuance of such Preference Shares, the obligation is recognized and included as a part of capital creditors.

b. In terms of Debenture Subscription Agreement between the Company and Orissa Mining Corporation Limited ('OMCL'), the Company issued during the Period ended September 30, 2020, a Zero Coupon Unsecured Redeemable Non-Convertible Debentures of ₹ 3 Crore to OMCL towards its obligation to pay OMCL an amount equivalent to 15% per annum on ₹ 20 Crore as return up to March 31, 2021 which is due for redemption at par on September 30, 2021.

23 Other Non-Current Liabilities

	As at	
	March 31, 2021	March 31, 2020
Deferred Income (a)	34.55	34.34
	34.55	34.34

a. Represents deferred income in respect of grant related to Export Promotion Capital Goods (EPCG) of ₹ 34.55 Crore (As at March 31, 2020 ₹ 34.34 Crore)

24 Contract Liabilities

	As at	
	March 31, 2021	March 31, 2020
Contract Liabilities - Advance from Customers	0.30	0.21
	0.30	0.21

25 Other Current Liabilities

	As at	
	March 31, 2021	March 31, 2020
Statutory Dues Payable	58.39	49.49
Other Liabilities	0.09	0.10
	58.48	49.59

26 Income Tax Liabilities (net)

	As at	
	March 31, 2021	March 31, 2020
Provision for income tax	1.12	7.11
	1.12	7.11

Income Tax Liabilities of ₹ 1.12 Crore are net of advances of ₹ 253.72 Crore.

27 Revenue from Operations

	Year Ended	
	March 31, 2021	March 31, 2020
Sale of Products	2,738.90	2,653.15
Sale of Services	24.98	-
Other Operating Revenues	-	0.05
	2,763.88	2,653.20

A. Nature of goods and services

The following is a description of principal activities separated by reportable segments from which the Company generates its revenue

The Company is engaged in the manufacturing of Alumina and generates revenue from the sale of Alumina and the same is only the reportable segment of the Company.

B. Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

	Year Ended	
	March 31, 2021	March 31, 2020
i) Primary Geographical Markets		
Within India	2,763.88	2,653.15
Outside India	-	-
Total	2,763.88	2,653.15
ii) Major Products		
Alumina	2,763.88	2,653.15
Others	-	-
Total	2,763.88	2,653.15
iii) Timing of Revenue		
At a point in time	2,763.88	2,653.15
Over time	-	-
Total	2,763.88	2,653.15
iv) Contract Duration		
Long Term	2,763.88	2,653.15
Short Term	-	-
Total	2,763.88	2,653.15
v) Sales Channel		
Direct to Customers	2,763.88	2,653.15
Through Intermediaries	-	-
Total	2,763.88	2,653.15

C. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	As at	
	March 31, 2021	March 31, 2020
Receivables, which are included in 'Trade receivables'	273.39	240.00
Contract assets	-	-
Contract liabilities	(0.30)	(0.21)
Total	273.09	239.79

D. Other Information

	Year Ended	
	March 31, 2021	March 31, 2020
a. Transaction price allocated to the remaining performance obligations	Nil	Nil
b. The amount of revenue recognised in the current Year that was included in the opening contract liability balance	Nil	Nil
c. The amount of revenue recognised in the current Year from performance obligations satisfied fully or partially in previous Years	Nil	Nil
d. Significant payment terms		
Financing Component	Nil	Nil
Volume Discount	322.32	745.97
e. Performance obligations- The Company satisfy the performance obligation on shipment/delivery.		

28 Other Income

	Year Ended	
	March 31, 2021	March 31, 2020
Interest Income [Refer note 'a' below]	18.17	44.01
(Loss)/Profit on Fixed Assets sold/ discarded (Net)	(0.14)	0.02
Gain/ (Loss) on reversal of ROU Assets & Liabilities	-	0.01
Gain on sale of Financial Assets measured at fair value through Profit and Loss (Net)	163.39	57.95
(Loss)/Gain on Fair valuation of Financial Assets measured at fair value through Profit and Loss (Net)	(46.87)	46.70
Miscellaneous Income [Refer note 'b' below]	36.92	5.93
	171.47	154.62

- a. Includes ₹ 1.19 Crore (Previous Year: ₹ 1.80 Crore) towards interest income earned on advances to supplier, ₹ 0.21 Crore (Previous Year: ₹ 0.23 Crore) towards interest income on security deposits, ₹ 16.77 Crore (Previous Year: ₹ 41.98 Crore) towards interest income on term deposits.
- b. The Company has evaluated the impact of rescheduling of prepayment plan of term loan with the bank and accordingly recognised gain of ₹ 26.68 Crore (Previous Year : ₹ Nil) towards difference between the present value of restructured debt and carrying amount of the existing debt, ₹ 4.10 Crore (Previous Year : ₹ 1.04) towards gain recognised on account of change in Loan Amortisation schedule due to change in benchmark rate. Further Miscellaneous income includes rental income of ₹ 0.06 Crore (Previous Year: ₹ 0.04 Crore)

29 Cost of Materials Consumed

	Year Ended	
	March 31, 2021	March 31, 2020
Raw Material Consumed		
Caustic Soda	181.02	266.15
Lime	28.14	30.38
Others	16.63	17.25
Packing Material Consumed	0.05	2.21
	225.84	315.99

30 Changes in Inventories of Finished Goods and Work-in-Progress

	Year Ended	
	March 31, 2021	March 31, 2020
Opening Inventories		
Work-In-Progress	177.30	240.96
Finished Goods	32.60	8.51
Total	209.90	249.47
Closing Inventories		
Work-In-Progress	192.63	177.30
Finished Goods	20.91	32.60
Total	213.54	209.90
	(3.64)	39.57

31 Employee Benefit Expense

	Year Ended	
	March 31, 2021	March 31, 2020
Salaries and Bonus	57.21	59.41
Contribution to Provident and other Funds [Refer note '52 I']	3.48	3.52
Gratuity [Refer note '52 II']	1.25	0.97
Employee Share based payment expenses [Refer note 'a' below]	0.28	0.67
Staff Welfare expenses	4.87	5.02
	67.09	69.59
Less: Transfer to Capital Work in Progress	(4.43)	(4.27)
	62.66	65.32

- a. Certain employees of the Company have been granted Employee Stock Options of Hindalco Industries Limited, the Holding Company in earlier years and towards the same, the Holding Company had charged the Company.

32 Power and Fuel

	Year Ended	
	March 31, 2021	March 31, 2020
Power and Fuel	630.15	721.40
	630.15	721.40
Less: Transfer to Capital Work in Progress	(1.03)	(0.55)
	629.12	720.85

33 Finance Cost

	Year Ended	
	March 31, 2021	March 31, 2020
Interest Expense [Refer note 'a' below]	177.26	205.22
Interest Expenses for Leasing Arrangements	0.36	0.29
Unwinding of Discount on Provisions [Refer note '20']	5.29	8.65
Other Finance Cost [Refer note 'b' below]	19.40	15.73
	202.31	229.89
Less: Transfer to Capital Work in Progress*	(90.20)	(46.40)
	112.11	183.49

a. Includes ₹ 173.63 Crore (Previous Year : ₹ 197.70 Crore) towards interest on Term Loan from Banks, ₹ 0.07 crore (Previous Year : ₹ 0.20 Crore) towards interest on Short-term Borrowings, ₹ 3.56 Crore (Previous Year : ₹ 7.32 Crore) towards other interest expenses.

b. Includes ₹ 18.84 Crore (Previous Year : ₹ 15.35 Crore) towards amortisation of debt issuance cost incurred towards avilment of term loan and ₹ 0.56 Crore (Previous Year : ₹ 0.38 Crore) towards Other charges.

*Borrowing costs capitalized / transferred to capital work in progress during the year is ₹ 87.04 Crores and the capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case 6.78%

34 Depreciation and Amortisation

	Year Ended	
	March 31, 2021	March 31, 2020
Depreciation on Property, Plant and Equipment	300.88	297.99
Depreciation on Right of Use Assets	3.82	3.92
Amortisation on Intangible Assets	2.32	2.33
	307.02	304.24

35 Other Expense

	Year Ended	
	March 31, 2021	March 31, 2020
Mining Expenses	113.92	140.10
Explosive Cost	10.32	11.62
Royalty	120.50	113.55
	244.74	265.27
Consumption of Stores and Spares [Refer note 'a' below]	68.34	64.56
Repair and Maintenance-Plant and Equipment	134.24	133.69
Repair and Maintenance-Others [Refer note 'b' below]	29.18	29.01
Rates and Taxes	5.43	5.72
Short-term leases	8.75	8.06
Variable leases	-	0.01
Low Value leases	0.04	0.04
Operating Lease payments (including Rent)	-	0.18
Insurance charges	12.26	6.97
Payment to Auditors [Refer note 'c' below]	0.58	0.49
Freight and Forwarding Expenses	27.19	2.04
Legal, Professional and Consultancy Fees	5.35	6.63
Travelling and conveyance	1.77	4.90
Expenditure on Corporate social responsibility activities [Refer note 'd' below]	12.26	8.21
Donations [Refer note 'e' below]	10.00	14.30
Loss / (Gain) on foreign currency transactions and translation (Net)	(1.84)	8.40
(Gain) / Loss on Change in Fair Value of Derivatives (Net)	(0.28)	(0.80)
Security Expenses	11.61	11.54
Business Support Expenses [Refer note 40 I]	27.79	48.43
Miscellaneous Expenses	53.72	57.62
	651.13	675.27
Less: Transfer to Capital Work in Progress	(0.44)	(1.01)
	650.69	674.26

* Amount is below the rounding off norm adopted by the Company

a. Includes ₹ 3.42 Crore (Previous Year : ₹ 4.08 Crore) towards provision for slow moving spares.
b. Includes ₹ 0.30 Crore (Previous Year : ₹ 2.62 Crore) incurred towards repairs and maintenance of building.

c. Payment to Auditors

Statutory Auditors		
Statutory Audit fees	0.36	0.33
Tax Audit fees	0.06	0.05
Other services	0.14	0.09
Reimbursement of expense	0.01	0.01
Cost Audit Fees and Expenses	0.01	0.01
	0.58	0.49

* Amount is below the rounding off norm adopted by the Company

d. As per Section 135 of Companies Act 2013, a Corporate Social Responsibility Committee has been formed. As per the provisions of Companies Act 2013, amount not less than ₹ 10.89 Crore (Year ended March 31, 2020 ₹ 7.85 Crore) should have been incurred during the year under CSR. The Company has incurred expenses amounting to ₹ 12.26 Crore (Year ended March 31, 2020, ₹ 8.21 Crore), in line with the CSR policy which is in conformity with the activities specified in Schedule VII of the Companies Act 2013.

e. Includes ₹ 10 Crore (Previous Year : ₹ 14.30) towards Purchase of Electoral Bonds

36 Exceptional Expenses

During the Year Ended March 31, 2021 the company has granted a special, one-time, non-cumulative, lump-sum ex-gratia pay out to the employees (including those engaged through contractors) amounting to ₹ 6.36 Crore (Year ended 31, March 2020 ₹ Nil) as a token of appreciation for their additional efforts during the unprecedented situation caused by Covid-19 pandemic. This expense is of special significance as such payout has been made because of current pandemic situation. Further this is special and one time in nature. Thus it need to be called out specifically as "exceptional item" in financial statement for enabling the reader/user to understand the impact in a meaningful manner.

37 Tax Expenses

a. Income tax expenses recognised in the statement of Profit and Loss

Current Tax

Current Income tax expenses for the Year
Tax Adjustment for earlier years

Deferred Tax

Deferred Income Tax Expenses for the Year
MAT Credit Entitlement

Total income tax expenses recognised in the statement of profit and Loss for the Year

b. Reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of comprehensive income

Income from continued operations before income taxes

Indian Statutory Income Tax Rate*

Estimated income tax expenses

Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:

Income Tax adjusted with brought forward Loss

Tax Assets for the earlier year not recognised

Tax payable at different rate

Tax payable at MAT

MAT Credit for earlier years

Tax Adjustment for earlier years

Expenses not deductible in determining taxable profit

Other adjustments

Income Tax expense recognised in Profit and Loss

* Applicable Indian Statutory Income Tax rate for Fiscal 2021 and Fiscal 2020 is 34.944 %. However, the Company is required to pay tax u/s 115JB of Income Tax Act 1961.

c. Income Tax expense recognised in Other Comprehensive Income

Re-measurement of defined benefit obligation

Cash Flow hedges

d. Deferred tax assets/(liabilities) arise from:

Deferred income tax assets

Provision for Employee benefits

Other Timing Differences

Carried forward Unabsorbed depreciation

Cash Flow Hedges

MAT Credit Entitlement (Refer note b above)

Deferred income tax liabilities

Depreciation and Amortization

Fair value measurements of financial instruments

Others

e. Movement in Deferred tax assets and liabilities

	As at March 31,2020	Restatement/Re- classification of Opening Liability	Recognised in statement of Profit and loss	Recognised in Other comprehensive Income	Deferred tax on basis adjustment	As at March 31,2021
Deferred Income tax assets (A)						
Provision for Employee benefits	2.43	(0.18)	0.43	0.69	-	3.37
Other Timing Differences	50.45	0.42	(1.72)	-	-	49.15
Carried forward Business losses and Unabsorbed depreciation	745.73	(0.15)	(324.97)	-	-	420.61
Cash Flow hedges	-	-	-	-	-	-
MAT Credit entitlement	490.87	-	165.23	-	-	656.10
	1,289.48	0.09	(161.03)	0.69	-	1,129.23
Deferred Income tax Liability (B)						
Depreciation and Amortization	1,293.83	0.72	24.65	-	-	1,319.20
Fair value measurements of financial instruments	22.31	(0.63)	(16.41)	-	-	5.27
Others	38.62	-	5.22	-	-	43.84
	1,354.76	0.09	13.46	-	-	1,368.31
Net Deferred Tax liability (A-B)	(65.28)	-	(174.49)	0.69	-	(239.08)

	As at March 31,2019 #	Restatement/Re- classification of Opening Liability ##	Recognised in statement of Profit and loss	Recognised in Other comprehensive Income	Deferred tax on basis adjustment	As at March 31,2020 #
Deferred Income tax assets (A)						
Provision for Employee benefits	1.32	(0.01)	0.69	0.43	-	2.43
Other Timing Differences	3.83	38.26	8.36	-	-	50.45
Carried forward Business losses and Unabsorbed depreciation	876.00	(2.20)	(128.07)	-	-	745.73
Cash Flow hedges	2.63	-	-	0.83	(3.46)	-
MAT Credit entitlement	401.75	-	89.12	-	-	490.87
	1,285.53	36.05	(29.90)	1.26	(3.46)	1,289.48
Deferred Income tax Liability (B)						
Depreciation and Amortization	1,237.96	(0.15)	56.02	-	-	1,293.83
Fair value measurements of financial instruments	5.37	(0.01)	16.95	-	-	22.31
Others	7.75	35.87	(5.00)	-	-	38.62
	1,251.08	35.71	67.97	-	-	1,354.76
Net Deferred Tax liability (A-B)	34.45	0.34	(97.87)	1.26	(3.46)	(65.28)

₹ 0.30 Crores Represents impact of reinstatement of opening tax asset/liability as per incometax return filled. ₹ 0.04 Crores represents deferred tax asset created due to transition effect on Ind AS 116 Application.

Net deferred tax liability recognised in statement of profit and loss ₹ 97.57 Crores represents, Reversal of deferred tax liability on account of filing of incometax return and deferred tax recognised during the financial year amounting to ₹ 0.30 Crores and ₹ 97.87 Crores respectively.

38 Other Comprehensive Income / (Loss)

- (i) Items that will not be reclassified to Profit and Loss
-Re-measurement loss on defined benefit obligation
Income tax effect on above

Year Ended	
March 31, 2021	March 31, 2020
(1.95)	(1.23)
0.68	0.43
(1.27)	(0.80)

- (ii) Items that will be reclassified to Profit and Loss
-Cash Flow Hedges
Income tax effect on above

Year Ended	
March 31, 2021	March 31, 2020
-	(2.38)
-	0.83
-	(1.55)

39 Earnings Per Share (Basic and Diluted)

Profit after tax as per the Statement of Profit and Loss (₹ in Crore)
Weighted Average number of Equity shares outstanding
Earnings per share (Basic and Diluted) (₹)
Nominal value of an Equity Share (₹)

Year Ended	
March 31, 2021	March 31, 2020
605.47	317.41
6,25,14,82,818	6,25,14,82,818
0.97	0.51
10	10

40 Related Party Transactions

(A) Holding Company

The Company is controlled by the following entity:

Name	Principal Activity	Place of Incorporation	Ownership Interest %	
			As at	
			March 31, 2021	March 31, 2020
Hindalco Industries Limited	Manufacturing of Aluminium and Copper products	India	100%	100%

(B) Subsidiary

Name	Principal Activity	Place of Incorporation	Ownership Interest %	
			As at	
			March 31, 2021	March 31, 2020
Utkal Alumina Social Welfare Foundation	Trust	India	100%	100%

(C) Associate of Company

Name	Principal Activity	Place of Incorporation	Ownership Interest %	
			As at	
			March 31, 2021	March 31, 2020
Aditya Birla Renewable Utkal Limited	Solar Power Production	India	26%	26%

(D) Associate of Holding Company

Name	Principal Activity	Place of Incorporation
Aditya Birla Science and Technology Company Private Limited	Research and Development	India

(E) Other Related Party

Name	Principal Activity	Place of Incorporation
UAIL Employees Gratuity Fund	Gratuity benefit plan	India
UAIL Employees Superannuation Fund	Superannuation Plan	India
Utkal Alumina Jana Seva Trust	Trust	India

(F) Key management personnel

Mr. N. Nagesh (Chief Executive Officer - Resigned w.e.f. November 05, 2020)
Mr. Mazharullah Beig (Manager w.e.f. November 05, 2020)
Mrs. Pragnya Ram (Non-Executive Director)
Mr. Surya Kanta Mishra (Non-Executive Director)
Mr. Madhukar Manilal Bhagat (Resigned w.e.f. August 30, 2019)
Mr. Indrajit Pathak (Non-Executive Director w.e.f. September 20, 2019)
Mr. Rajesh kumar gupta (Non-Executive Director w.e.f. September 20, 2019)
Mr. Ashok Kumar Machher (Resigned w.e.f. September 30, 2019)
Mr. Praveen kumar Maheshwari (Non-Executive Director w.e.f. October 31, 2019)
Mr. Anil Arya Vasant (Non-Executive Director w.e.f. January 30, 2020)
Mr. Alphonso Richard Das (Resigned w.e.f. February 27, 2020)

Managerial remuneration to Key management personnel :

Particulars	Name of the KMP/Director	Year Ended	
		March 31, 2021	March 31, 2020
Short-term employee benefits	Mr. N Nagesh/ Mr. Mazharullah Beig	0.81	1.17
Post-employment benefits	Mr. N Nagesh/ Mr. Mazharullah Beig	0.05	0.05
Long-term employee benefits	Mr. N Nagesh/ Mr. Mazharullah Beig	0.04	0.04
Professional Fees	Mr. S K Mishra	1.68	1.68
		2.58	2.94

(G) The following transactions were carried out during the period with the related parties :

	Year Ended	
	March 31, 2021	March 31, 2020
I. Holding Company		
Sale of Goods	2,585.49	2,652.42
Sale of Services	24.98	-
Re-imbursment of expenses to the Company (including taxes*)	51.13	132.68
Share based payment expenses [Refer note '31']	0.28	0.67
Purchase of Fixed Assets	0.01	0.19
Sale of Fixed Assets	0.12	0.25
Sale of others	0.01	0.80
Purchase of others	-	0.63

* Includes ₹ 6.58 Crore for the Year ended March 31, 2021 (₹ 14.27 Crore for the year ended March 31, 2020) towards taxes.

II. Subsidiary Company

Investment in Equity shares of UASWF	-	0.10
Others	0.16	*

* Amount is below the rounding off norm adopted by the Company

III Associate of Company

Investment in Equity shares of ABRUL	-	1.27
Purchase of Solar Power	3.29	0.54

IV Associate of Holding Company

Research and Development services	1.45	0.35
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V. UAIL Employees Gratuity Fund

Contribution made	1.53	0.02
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VI. UAIL Employees Superannuation Fund

Contribution made	0.63	0.63
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VII. Utkal Alumina Jana Seva Trust

Contribution made	1.60	3.04
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As there were no transactions with other parties, no disclosure has been made.

(H) The following balances are outstanding at the end of the reporting Year in relation to transactions with related parties:

I. Holding Company	As at	
	March 31, 2021	March 31, 2020
Receivable against sale of goods	271.68	239.99
Receivable against sale of services	1.71	-
Receivable against sale of asset	*	0.15
Receivable against re-imbursement of expenses	-	1.41
Other Receivables	0.14	5.64
Other Payable	*	0.01
Payable against purchases of goods	-	0.20
Capital Contribution from Parent Company [Refer note '17']	74.42	74.41

* Amount is below the rounding off norm adopted by the Company

II. Subsidiary Company

Investment in Equity shares of UASWF	0.10	0.10
Receivable	-	*

* Amount is below the rounding off norm adopted by the Company

III. Associate of Company

Investment in Equity shares of ABRUL	1.27	1.27
Payable	0.32	0.54

IV. Utkal Alumina Jana Seva Trust

Payable	0.02	0.10
Receivable	0.02	0.23

(I) Aditya Birla Management Corporation Private Limited

*Aditya Birla Management Corporation Private Limited (ABMCPL), an Aditya Birla Group Company, limited by guarantee provides common facilities and resources to certain companies of Aditya Birla Group with a view to optimize the benefits of specialization and minimize costs for group companies of Aditya Birla Group. The Company is one of the participants in the common pool and shares the expenses incurred by ABMCPL which are accounted for under the head "Business Support Expenses".

The expenses incurred during the Year ended March 31, 2021 is ₹ 27.79 Crore (₹ 48.43 Crore for the year ended March 31, 2020) and net outstanding payable balance as at March 31, 2021 is ₹ 5.75 crore (As at March 31, 2020 is ₹ 6.05 Crore). The outstanding deposit with ABMCPL as at March 31, 2021 is ₹ 6.31 crore (As at March 31, 2020 is ₹ 15.95 crore).

As there were no balances outstanding against transactions with other parties, no disclosure has been made.

Terms and Conditions:

The above stated balances of financial assets and liabilities are unsecured and to be settled in cash.

41 The carrying value of Financial Instruments by category:

	As at					
	March 31, 2021			March 31, 2020		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Assets						
Investment in Equity Shares	-	-	1.27	-	-	1.27
Investment in Preference Instruments	-	24.94	-	-	25.01	-
Investments in Debt instruments - Mutual Funds	-	1,940.85	-	-	1,320.58	-
Loans	0.31	-	-	0.54	-	-
Trade Receivables	273.39	-	-	240.00	-	-
Cash and Cash Equivalents	4.84	28.48	-	2.78	32.00	-
Bank Balances other than Cash and Cash Equivalents	350.00	-	-	250.00	-	-
Other Financial Assets	39.79	0.05	-	60.78	0.30	-
	668.33	1,994.32	1.27	554.10	1,377.89	1.27
Financial Liabilities						
Borrowings	2,555.99	-	-	2,419.15	-	-
Lease liabilities	4.83	-	-	2.44	-	-
Trade and other Payables	198.53	-	-	237.34	-	-
Other Financial Liabilities	194.27	0.17	-	216.25	0.70	-
	2,953.62	0.17	-	2,875.18	0.70	-

Investment amounting ₹ 0.10 Crore in subsidiary are carried at cost.

42 Fair Value of financial assets and financial liabilities measured at amortised cost

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Liabilities Carried at Amortised Cost				
Non-Current Borrowings	2,554.18	2,579.99	2,416.12	2,426.80

- a. The Company is having non-current financial assets amounting to ₹ 36.61 Crore (As at March 31, 2020 : ₹ 46.36 Crore). The fair value of these non-current financial assets is not materially different from its carrying value.
- b. The carrying amounts of trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, trade payables, other current financial liabilities and short term borrowings are considered to be same as their fair values, due to their short term nature.

Valuation Technique

The fair value of non-current borrowings was calculated based on cash flows discounted using the current borrowing rate.

43 Finance Income and Finance Cost instrument category-wise classification

	Year Ended Mar 31, 2021		Year Ended Mar 31, 2020	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Income				
Interest Income	18.17	-	44.01	-
	18.17	-	44.01	-
Expense				
Interest Expense *	86.85	-	154.79	-
	86.85	-	154.79	-

* The above amount of interest expense does not include interest pertaining to taxation and others finance costs of ₹ 20.33 Crores and ₹ 28.70 Crores for the year ended March 31, 2021 and March 31, 2020, respectively.

44 The following table provides the fair value measurement hierarchy of Assets and Liabilities

	As at					
	March 31, 2021			March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets/Liabilities measured at Fair Value						
Financial Assets						
Cash and Cash Equivalents						
- Liquid Investments in Mutual Funds	28.48	-	-	32.00	-	-
Investments in Debt instruments - Mutual Funds	1,940.85	-	-	1,320.58	-	-
Investment in Preference Shares	-	24.94	-	-	25.01	-
Investment in Equity Shares	-	-	1.27	-	-	1.27
Derivative Assets	-	0.05	-	-	0.30	-
	1,969.33	24.99	1.27	1,352.58	25.31	1.27
Financial Liabilities						
Derivative Liabilities	-	0.17	-	-	0.70	-
	-	0.17	-	-	0.70	-

45 Assets and Liabilities which are measured at amortised cost for which fair values are disclosed

	As at	
	March 31, 2021	March 31, 2020
	Level 2	
Financial Assets/Liabilities measured at Amortised Cost		
Financial Liabilities		
Borrowings	2,579.99	2,426.80

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels

Level 1:-

Hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments which are traded in the stock exchanges are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2:-

Hierarchy includes financial instruments that are not traded in active market. This includes over the counter (OTC) derivatives, close ended mutual funds and debt instruments valued using observable market data such as yield etc. of similar instruments traded in active market. All derivative are reported at discounted values hence are included in level 2. Borrowings have been fair valued using credit adjusted interest rate prevailing on the reporting date.

Level 3:-

If one or more significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments and certain debt instruments which are valued using assumptions from market participants.

46 Contingent Liabilities and Commitments	As at	
	March 31, 2021	March 31, 2020
A. Claims against the Company not acknowledged as debt:		
Following demands are disputed by the Company and are not provided for :		
(i) Show cause cum demand notices from Central Excise Department, Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the period from December 2007 to June 2014. The case is pending for disposal before the Commissioner of Central Excise, Bhubaneswar.	11.48	11.48
(ii) Show cause cum demand notice dated July 22, 2015 from Central Excise Department, Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the period from July 2014 to December 2014. The case is pending for disposal before the Commissioner of Central Excise, Bhubaneswar.	0.37	0.37
(iii) Show cause cum demand notice dated August 22, 2016 from Central Excise, Customs and Service Tax Department (Audit), Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the period August 2011 to March 2014. Further equivalent penalty is imposed on the Company. The case is pending for disposal before the Commissioner of Central Excise, Customs and Service Tax, Bhubaneswar.	0.63	0.63
(iv) Show cause cum demand notice dated May 30, 2017 from Central Excise, Customs and Service Tax Department (Audit), Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit availed by the Company during the year 2015-16. The Case is pending for disposal before the Asst. Commissioner, Central Excise, Rayagada Division. The Asst. Commissioner confirmed the demand along with equivalent penalty and appeal have been filed with Commissioner appeal Bhubaneswar.	0.06	0.06
(v) Show cause cum demand notice dated July 26, 2017 from Central Excise, Customs and Service Tax Department , Rayagada, Odisha, levying demand towards disallowance of cenvat credit on Capital goods availed by the Company during the period July 2015 to December 2015. The Case is pending for disposal before the Asst. Commissioner GST, Central Excise & Custom, Bhubaneswar	0.04	0.04
(vi) Show cause cum demand notice dated July 24, 2017 from Central Excise, Customs and Service Tax Department (Audit), Bhubaneswar, Odisha, levying demand towards disallowance of cenvat credit goods availed by the Company during the year 2014-15. The Case is pending for disposal before the Commissioner GST, Central Excise & Custom, Bhubaneswar	0.58	0.58
(vii) Show cause cum demand notice dated January 24, 2018 from GST and Central Excise Department, Rayagada, Odisha, levying demand towards disallowance of cenvat credit on Capital goods availed by the Company during the period January 2016 to June 2017. The Case is pending for disposal before the Commissioner GST, Central Excise & Custom, Bhubaneswar	0.18	0.18
(viii) Demand notice dated July 31, 2018 from Commercial tax and GST Rayagada, Odisha, levying demand towards disallowance of VAT credit availed by the Company during the period from October 2015 to March 2016. The case is pending for disposal before the Additional Commissioner of Commercial tax and GST, South Zone, Bhubaneswar. The learned Addl. commissioner has allowed the appeal partly vide order number AA (VAT)/7/2018-19 dt. 31.12.18 and against this second appeal have been filed before the TRIBUNAL.	0.24	0.24
(x) Demand notice dated 15-09-2018 from Commercial tax and GST Rayagada, Odisha, levying demand towards disallowance of VAT credit availed by the Company during the period from 01-04-16 to 30-06-2017. Appeal to be filed before the Additional Commissioner of Commercial tax and GST, South Zone, Bhubaneswar. The learned Addl. commissioner has allowed the appeal partly vide order number AA (VAT)/10/2018-19 dt. 31.12.18 and against this second appeal have been filed before the TRIBUNAL.	0.16	0.16
(xi) Demand notice no 6579 dt. dated 19-09-2018 from Commercial tax and GST Rayagada, Odisha, levying demand towards Entry Tax presuming purchase from unregistered dealer. Appeal is lying before the Additional Commissioner of Commercial tax and GST, South Zone, Bhubaneswar.	0.01	0.01
(xii) Letter dated 13-06-2018 from Assistant commissioner central excise and GST to reverse credit taken in TRANS-I return in respect of cess lying in central excise and service tax as on 30-06-2017.	4.15	4.15
(xiii) Notice bearing number ZA2112190135323 dt.31-12-2019 received from state GST department. During the period from Dec-17 to Mar-18 GST on Royalty was paid @5% but the department has demanded @18%	5.20	5.20
(xiv) Notice bearing number ZA2112190135323 dt.31-12-2019 received from state GST department. During the period from April-18 to Dec-18 on Royalty was paid @5% but the department has demanded @18%	17.65	17.65
(xv) Show cause cum demand notice bearing No.11375/CT dt.14-12-2020, ITC taken through revised Tran-1 not admitted by the department.	1.61	-
(xvi) Notice bearing number C No.V(1)11/Audit/BAMC/CE&ST /2017/17524A dt.18-12-2019, Service tax demanded on RCM basis on water charges/license fees paid to Government of Odisha through the Executive Engineer, Harabhangi irrigation division during the period April 2016 to June 2017.	1.41	-
(xvii) Show cause cum demand notice bearing C No. V(1)11/Audit/BAMC/ CE&ST/2017/278A dated 6.1.2020, Department rejected the CAS-4 submitted by us and requested to pay additional Central Excise duty on the goods that have been removed during the months of August, 2016 to January, 2017.	1.21	-
xviii) Show cause cum demand notice C No.V(1)/Audit/BAMC/CE&ST/2017/9183A dt.12-10-2020, As per Department Cenvat credit is not available on imported coal where CV duty was paid @2%.	2.34	-
	47.32	40.75
B. Commitments :		
	As at	
	March 31, 2021	March 31, 2020
Capital Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	183.20	477.86
Other Commitment		
Fuel Supply Agreement relating to coal	16.27	83.13

UTKAL ALUMINA INTERNATIONAL LIMITED
Notes annexed to and forming part of the Financial Statements

All amounts in ₹ Crore, unless otherwise stated

47 Information related to Micro and Small Enterprises, as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Development Act), are given below. The information given below have been determined to the extent such enterprises have been identified on the basis of information available with the Company:

	As at	
	March 31, 2021	March 31, 2020
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	5.96	1.37
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.22	0.10
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	1.45	0.69
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
(f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.12	0.04
(g) Further interest remaining due and payable for earlier years.	0.10	0.06

48 Segment Information

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis. The Company has determined its business segment as Alumina Refinery as the Company is engaged in manufacture of Alumina.

A. Description of segment

The Company is principally engaged in a single business segment viz., Alumina based on the nature of products, risk, returns and the internal business reporting system.

B. Geographical Information

i) Segment Revenue from external Customer

	Year Ended	
	March 31, 2021	March 31, 2020
Within India	2,763.88	2,653.20
Outside India	-	-
Total	2,763.88	2,653.20

ii) Carrying value of Non-Current assets (other than financial instruments)

	As at	
	March 31, 2021	March 31, 2020
Within India	8,328.66	8,161.97
Outside India	-	-
Total	8,328.66	8,161.97

The total of non-current Assets for this purpose excluding financial assets and deferred tax assets.

iii) Extent of reliance on major customers

Revenue from a single major customer amounted to ₹ 2610.47 Crore (94.45% of total revenue) [Year ended March 31, 2020: ₹ 2652.42 Crore (99.99% of total revenue)] arising from sale of Alumina and its related services.

49 Financial Risk Management

I. Market Risk

Other Price Risk

Alumina

The Company is engaged in a single business segment viz., Alumina. Substantial portion of Company's revenue is generated through domestic sales. In case of overseas sales, the pricing of alumina is dependent on price published on Metal Bulletin (MB). Since Alumina is not traded in any exchange, suitable instrument to hedge price fluctuation in Alumina is not available. Thus the Company remains exposed to the risk in Alumina price fluctuation in international market.

Coal

Alumina refinery and other associated operations require significant amount of power. Such power is mostly supplied through captive power generation units which are coal based. In order to meet the gap between requirement of coal and its availability in domestic market, coal is also imported. The domestic prices of coal are not linked to any internationally traded price whereas the imported coal is linked to internationally traded prices. The Company has not entered into coal commodity derivative as timing and quantum of import is not firm and depends on the availability of coal in domestic market.

Foreign Currency Exchange Risk

The net unhedged exposure towards foreign currency is insignificant and thus foreign currency derivatives are not entered into.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follows:

Currency Pair	As at March 31, 2021				As at March 31, 2020			
	AUD	USD	EURO	ZAR	AUD	USD	EURO	ZAR
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade Payable	0.02	67.29	0.06	-	0.76	116.84	0.05	0.27
Other Current Financial Liabilities	-	2.89	8.55	-	-	2.75	11.02	-
	0.02	70.18	8.61	-	0.76	119.59	11.06	0.27
Financial Assets								
Trade Receivables	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Net Exposure	0.02	70.18	8.61	-	0.76	119.59	11.06	0.27
Less: Net Exposure Hedged	-	2.87	8.48	-	-	-	-	-
Unhedged Exposure	0.02	67.31	0.13	-	0.76	119.59	11.06	0.27

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments as under:

Particulars	Impact on Profit after Taxation **	
	March 31, 2021	March 31, 2020
AUD Sensitivity		
INR/AUD - increase by 10%	*	0.06
INR/AUD - decrease by 10%	(*)	(0.06)
USD Sensitivity		
INR/USD - increase by 10%	5.55	9.87
INR/USD - decrease by 10%	(5.55)	(9.87)
EUR Sensitivity		
INR/EUR - increase by 10%	0.01	0.91
INR/EUR - decrease by 10%	(*)	(0.91)
ZAR Sensitivity		
INR/ZAR - increase by 10%	-	0.02
INR/ZAR - decrease by 10%	-	(0.02)

* Amount is below the rounding off norm adopted by the Company

** Represents impact of tax rate of 17.472 %.

II. Interest Rate Risk

The Company is exposed to interest rate risk on borrowing, both short-term and long-term.

Interest Rate Risk Exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2021	March 31, 2020
Variable rate of interest	2,555.99	2,419.15
Fixed rate of interest	-	-
Total Borrowings	2,555.99	2,419.15

At the end of the reporting period, the Company had the following variable rate borrowings

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Cash Credit, Term Loan from banks	6.74%	2,555.99	100.0%	7.80%	2,419.15	100.0%

Profit or loss is sensitive to higher /lower interest rate expense from borrowings as a result of changes in interest rates.

Particulars	Impact on Profit after taxation *	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest rate - increase by 100 basis points	20.40	20.08
Interest rate - decrease by 100 basis points	(20.40)	(20.08)

* Represents impact of tax rate of 17.472 %

III. Liquidity Risk

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. Surplus funds not immediately required are invested in certain products (including mutual fund) which provide flexibility to liquidate at short notice and are included in current investments. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

Available liquidity is as follows :

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	33.32	34.78
Availability under committed credit facilities	138.20	136.97
Total liquidity	171.52	171.75

The Cash credit facilities may be drawn at any time and may be terminated by the bank without notice.

The contractual maturities of the Company's financial liabilities are as below:-

As at March 31, 2021	Less than 1 Year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
Non-Derivative						
Borrowings (excluding Finance Lease)- Refer note 'a'	175.63	179.67	803.20	2,651.28	3,809.78	2,555.99
Lease Liabilities	2.96	0.19	0.55	11.85	15.55	4.83
Trade and Other Payables	198.53	-	-	-	198.53	198.53
Other Financial Liabilities	194.27	-	-	-	194.27	194.27
Total	571.39	179.86	803.75	2,663.13	4,218.13	2,953.62
Derivative	0.17	-	-	-	0.17	0.17
	0.17	-	-	-	0.17	0.17
As at March 31, 2020						
Non-Derivative						
Borrowings (excluding Finance Lease)- Refer note 'a'	192.10	189.07	567.22	2,978.56	3,926.95	2,419.15
Trade and Other Payables	0.46	0.42	0.56	12.03	13.47	2.44
Lease Liabilities	237.34	-	-	-	237.34	237.34
Other Financial Liabilities	216.25	-	-	-	216.25	216.25
Total	646.15	189.49	567.78	2,990.59	4,394.01	2,875.18
Derivative	0.70	-	-	-	0.70	0.70
	0.70	-	-	-	0.70	0.70

a. Contractual Cash flows towards borrowings includes ₹ 1,233.96 Crore (As at March 31, 2020 : ₹ 1,530.17 Crore) towards future obligation for interest outgo on borrowings.

IV. Credit Risk

The Company is majorly exposed to counter party credit risk from trade receivables. The trade receivables are mainly due from holding Company, Hindalco Industries Limited. The company do not anticipate any credit risk and thus no expected credit loss provision has been made for counterparty credit risk. The other receivables due from third parties are secured against letter of credit or advance payment. No provision for bad debt has been recognised in any of the previous years. Credit risk against other financial assets majorly comprises security deposits held with government authorities and involves insignificant credit risk.

50 Capital Management

Risk Management:

The Company's objectives when managing capital are to

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares to reduce debt.

Consistent with other companies/ enterprises in the industry, the Company monitors capital on the basis of the following gearing ratio:

	As at March 31, 2021	As at March 31, 2020
Net debt	2,542.26	2,402.87
Total equity	7,991.52	7,387.31
Net debt to equity ratio	0.32:1	0.33:1

Net Debt represents Long-term Borrowings (including current maturities), short term borrowings, finance lease obligation (including current maturities), interest accrued but not due as reduced by cash and cash equivalents.

Loan Covenants:

The Company has complied with applicable covenants throughout the reporting periods.

51 Derivative Instruments and Unhedged Foreign Currency Exposure

The Company uses derivative financial instruments such as Forwards, Futures Swaps, Options etc. to hedge its risks associated with foreign exchange fluctuations. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

(A) The Asset and Liability position of various outstanding derivative financial instruments is given below:

Particulars	Nature of Risk being Hedged	As at March 31, 2021			As at March 31, 2020		
		Liability	Asset	Net Fair Value	Liability	Asset	Net Fair Value
Current							
Cash flow hedges							
Foreign currency contracts	Exchange rate movement risk	-	-	-	-	-	-
Non-designated hedges							
Foreign currency contracts	Exchange rate movement risk	(0.17)	0.05	(0.12)	(0.70)	0.30	(0.40)
Total		(0.17)	0.05	(0.12)	(0.70)	0.30	(0.40)
Non - Current							
Cash flow hedges							
Foreign currency contracts	Exchange rate movement risk	-	-	-	-	-	-
Non-designated hedges							
Foreign currency contracts	Exchange rate movement risk	-	-	-	-	-	-
Total		-	-	-	-	-	-
Grand Total		(0.17)	0.05	(0.12)	(0.70)	0.30	(0.40)

The maturity profile for Forex Exchange Forwards ranges from April 2021 to November 2021. Hedge Ratio of 1:1 is used by the Company.

(B) Outstanding position and fair value of various foreign exchange derivative financial instruments:

Particulars	Currency Pair	As at March 31, 2021			As at March 31, 2020		
		Average exchange rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)	Average exchange rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)
Foreign currency forwards							
Cash flow hedges							
Buy	EUR_INR	-	-	-	-	-	-
Buy	USD_INR	-	-	-	-	-	-
Total							
Non-Designated							
Buy	AUD_INR	-	-	-	45.74	0.16	0.01
Buy	EUR_INR	87.28	1.05	-	84.14	1.38	(0.57)
Buy	USD_INR	76.83	0.39	(0.12)	73.75	0.54	0.16
Total			1.44	(0.12)		2.08	(0.40)

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All amounts in ₹ Crore, unless otherwise stated

(C) Gain/(loss) recognized in Hedging Reserve and recycled during the year:

i. Amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2020-21:

	Opening Balance	Net Amount recognised	Net Amount to P&L	Recycled Net Amount added to Non-Financial Assets	Total Amount recycled	Closing Balance before tax
Cash Flow Hedges						
Forex	-	-	-	-	-	-
Total	-	-	-	-	-	-
Deferred Tax on above	-	-	-	-	-	-

ii. Amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2019-20:

	Opening Balance	Net Amount recognised	Net Amount to P&L	Recycled Net Amount added to Non-Financial Assets	Total Amount recycled	Closing Balance before tax
Cash Flow Hedges						
Forex	(7.53)	(2.38)	-	(9.91)	(9.91)	-
Total	(7.53)	(2.38)	-	(9.91)	(9.91)	-
Deferred Tax on above	2.63	0.83	-	3.46	3.46	-

(D) Net Foreign Currency exposures that are not covered by derivative instruments are as follows:

Particulars	As at March 31, 2021				As at March 31, 2020			
	Payable		Receivable		Payable		Receivable	
	Foreign Currency Amount (in '000)	₹ In Crore	Foreign Currency Amount (in '000)	₹ In Crore	Foreign Currency Amount (in '000)	₹ In Crore	Foreign Currency Amount (in '000)	₹ In Crore
USD	9,201.33	67.31	-	-	15,873.05	119.59	-	-
AUD	3.73	0.02	-	-	164.55	0.76	-	-
EURO	16.13	0.13	-	-	1,333.93	11.06	-	-
ZAR	-	-	-	-	641.82	0.27	-	-
Total		67.46		-		131.69		-

(E) The following table represents the estimated potential changes in the fair values of the foreign currency derivative instruments given a 10% change in their respective indexes :

Currency Pair	As at March 31, 2021				As at March 31, 2020		
	Increase in Price	NPV Change	Change in P&L	Change in OCI	NPV Change	Change in P&L	Change in OCI
USD_INR	10%	0.29	0.29	-	0.41	0.41	-
EUR_INR	10%	0.96	0.96	-	1.15	1.15	-
AUD_INR	10%	-	-	-	0.07	0.07	-
Total		1.25	1.25	-	1.63	1.63	-

52 Employee Benefits Schemes

The Company has classified the various benefits provided to employees as under -

I Defined Contribution Plan

- a. The Company contributes 12% of salary for all eligible employees towards Provident Fund managed by Central Government of India. During the year, the Company has recognised ₹ 2.85 Crore (Previous Year : ₹ 2.89 crore) under "Contribution to Provident and other Funds" [Refer note '31']
- b. The Company contributes a certain percentage of salary for all eligible employees in managerial cadre towards Superannuation Funds managed by Birla Sun Life Insurance. The amount debited to Statement of Profit and Loss during the year is ₹ 0.63 Crore (Previous Year : ₹ 0.63 Crore).[Refer note '31']

II Defined Benefit Plan

Gratuity

Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company make contributions to the fund. The Company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The amount of gratuity payable on retirement / resignation is the employees last drawn basic salary per month computed proportionately based on years of service.

Period of Continuous Service

	Normal Retirement	Resignation
Less than 5 years	Nil	Nil
Between 5 and 10 years	$15/26 * \text{Salary} * \text{No of years of service}$	$15/26 * \text{Salary} * \text{No of years of service}$
Between 10 and 15 years	$21/26 * \text{Salary} * \text{No of years of service}$	$15/26 * \text{Salary} * \text{No of years of service}$
More than 15 years	$1 * \text{Salary} * \text{No of years of service}$	$15/26 * \text{Salary} * \text{No of years of service}$

- a. The major assumptions used to determine the present value of defined benefit obligation are as follows:

	For the Year ended	
	March 31, 2021	March 31, 2020
Financial Assumptions:		
	(% p.a.)	(% p.a.)
Discount Rate	6.25	6.50
Salary Escalation Rate [@]	7.50	7.50
[@] The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors		

Demographic Assumptions:

Mortality Rate	IALM (2006-08) (modified)Ultimate	IALM (2006-08) (modified) Ultimate
Withdrawal Rate-Management	5%	5%
Withdrawal Rate-Workmen	1%	1%
Retirement Age-Management	60 Years	60 Years
Retirement Age-Workmen	58 Years	58 Years

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	As at	
	March 31, 2021	March 31, 2020
b. Change in the Present Value of Obligation		
Defined Benefit Obligation at the beginning of the year	10.09	7.74
Current Service Cost	1.27	1.08
Interest Cost	0.65	0.56
Benefits paid	(0.28)	(0.42)
Actuarial (gain)/losses arising from changes in demographic assumptions	-	-
Actuarial (gain)/losses arising from changes in financial assumptions	0.42	0.51
Actuarial (gain)/losses arising from changes in experience adjustments	2.32	0.62
Closing Present Value of Obligation	14.47	10.09

c. Change in Fair Value of Plan Assets

	As at	
	March 31, 2021	March 31, 2020
Opening Fair Value of Plan Assets	9.64	9.01
Contributions	1.53	0.48
Expected Return on Plan Assets	0.68	0.67
Actuarial Gain/ (Losses)	0.79	(0.10)
Benefits paid	(0.28)	(0.42)
Closing Fair Value of Plan Assets	12.36	9.64
Actual Return on Plan Assets	1.47	0.57

d. Reconciliation of Present Value of Defined Benefit Obligation and the fair value of Asset

	As at	
	March 31, 2021	March 31, 2020
Present Value of Obligation as at the end of the Year	14.47	10.09
Fair Value of Plan Assets as at the end of the Year	12.36	9.64
Surplus/(Deficit) Funded Status at the end of the Year [(Refer Note 20 (i))]	(2.11)	(0.45)
Present Value of Unfunded Obligation as at the end of the Period		
Unfunded Net Obligation	-	-
Deficit of gratuity plan	-	-

e. The following payments are expected contributions to the Defined Benefit Plan in future years:

	As at	
	March 31, 2021	March 31, 2020
Within the next 1 year	0.46	0.56
Between 1 and 2 Years	0.75	0.51
Between 2 and 5 Years	3.80	3.37
Over 5 Years	99.58	81.68
	104.59	86.12

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 11 years (As at March 31, 2020 is 11 years).

f. Expenses Recognised during the year

	For the year ended	
	March 31, 2021	March 31, 2020
Current Service Cost	1.27	1.08
Interest Cost	0.65	0.56
Expected Return on Plan Assets	(0.68)	(0.67)
Net Actuarial (Gain)/ Losses	-	-
Total Expenses recognised in the Statement of Profit and Loss [Refer note '31']	1.24	0.97

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All amounts in ₹ Crore, unless otherwise stated

g. Recognised in Other Comprehensive Income during the year

	For the Year Ended	
	March 31, 2021	March 31, 2020
Remeasurement of the net defined benefit liability		
Actuarial losses arising from changes in demographic assumptions	-	-
Actuarial losses arising from changes in financial assumptions	0.42	0.51
Actuarial losses arising from changes in experience assumptions	2.32	0.62
Remeasurement of the net defined benefit liability	2.74	1.13
Remeasurement - return on plan assets	(0.79)	0.10
	1.95	1.23

h. Composition of Plan Assets

	As at March 31, 2021		As at March 31, 2020	
	Percentage (Unquoted)	₹ In Crore (Unquoted)	Percentage (Unquoted)	₹ In Crore (Unquoted)
Insurance Funds	100%	12.36	100%	9.64
	100%	12.36	100%	9.64

All the plan assets are held within India.

i. A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below :

Assumptions	Discount rate		Salary growth rate	
	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Impact on Defined Benefit Obligation	(1.55)	1.87	1.83	(1.55)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below :

Assumptions	Discount rate		Salary growth rate	
	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Impact on Defined Benefit Obligation	(0.97)	1.16	1.13	(0.97)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

III Other Employee Benefit

The liability for leave entitlement as at the year end is ₹ 6.84 Crore (As at March 31, 2020: ₹ 7.28 Crore)[Refer note '20 (ii)].

The amount of provision is presented as current since the Company does not have an unconditional right to defer settlement of any of these obligations. However based on past experience, the Company does not expect all employees to take full amount of accrued leave or require payment within the next twelve months.

	As at	
	March 31, 2021	March 31, 2020
Current leave entitlement expected to be settled within one year	1.04	1.07

IV Risk Exposure

The risks commonly affecting the liabilities and the financial results are expected to be :

- a. Interest rate risk :
The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields falls the defined benefit obligation will tend to increase.
- b. Salary inflation risk:
Higher than expected increase in salary will increase the defined benefit obligation.
- c. All the plan assets are invested in insurance funds.

53 The company has availed exemption from preparing the consolidated financial statements in accordance with paragraph 4(a) of Ind AS 110. It meets the conditions as specified by companies (Accounts) amendment Rules, 2016 for availing exemption from preparing consolidated financial statements.

54 Additional Information

Details of Investments and Loans given covered under section 186(4) of the companies Act 2013:

Name of the Company	Relationship	Nature of transaction	As at	
			March 31, 2021	March 31, 2020
i) Utkal Alumina Social Welfare Foundation	Subsidiary Company	Investment in equity shares	0.10	0.10
ii) Aditya Birla Renewables Utkal Limited	Associate Company	Investment in equity shares	1.27	1.27

55 Previous Year figures have been reclassified to confirm to the current Year's classification which are as below :

Note No.	Line Item	Earlier Amount	Re-classified Amount	Reason
Reclassifications in "Cash Flow Statement"				
B.	Cash Flow From Investing Activities			
	Payments to acquire Property, Plant and Equipment	(870.74)	(917.14)	For Better Presentation
C.	Cash Flow From Financing Activities			
	Payment of Finance Costs	(200.43)	(154.03)	For Better Presentation

56 The COVID 19 pandemic has not resulted in any material impact on the Company's financial position, operations and cash flows, disruption to the Company's customers, revenue, absenteeism in the Company's labour workforce, unavailability of products and supplies used in operations during the year. The Company has made detailed assessment of its liquidity position and the recoverability and carrying value of its assets comprising property and equipment, intangible assets, Trade receivable, inventory and other financial assets including cash & Cash equivalent and marketable securities as at March 31, 2021. The Company expects to recover the carrying amount of these assets. There was temporary disruption to ongoing project implementation during lock down which has resumed now and Management is not expecting any major delay in completion of the projects. Management has performed year-end inventory verification at plant and other locations to obtain comfort over the existence and conditions of inventories at March 31, 2021. The Company's future operations may be affected by the continuation of the Coronavirus disease 2019 (COVID-19) pandemic. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results. It is uncertain how long these conditions will last. The ultimate disruption which may be caused by the outbreak and what the complete financial effect will be to the company is uncertain, The Company will continue to closely monitor any material changes to future economic conditions.

57 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

58 The management has evaluated all activity of the Company till **April 30, 2021** and concluded that there were no additional subsequent events required to be reflected in the Company's financial statements.

As per our report of even date annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration Number: 302049E

For and on behalf of the Board of Directors of

Utkal Alumina International Limited

Navindra Kumar Surana

Partner

Membership No. 053816

Indrajit Pathak

Director

DIN:00194571

Surya Kanta Mishra

Director

DIN:02544268

Sudhakar Biswal

Chief Financial Officer

Sunita Narayan

Company Secretary

Place: Kolkata

Date : April 30, 2021

Place: Mumbai

Date : April 30, 2021