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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Company Overview

Hindalco Industries Limited ("the Company") was incorporated in India in the year 1958 having its registered office at Ahura Centre, 1st Floor, B Wing, Mahakali Caves Road, Andheri (East), Mumbai – 400093.

The Company has two main streams of business, Aluminium and Copper. In Aluminium, the Company caters to the entire value chain starting from mining of bauxite and coal through production of value added products for various applications.

The Company along with its subsidiaries has manufacturing operations in eleven countries including India spread over four continents North America, South America, Asia and Europe. Apart from primary aluminium, the Company produces aluminium sheet, extrusion and light gauge products for use in packaging market which includes beverage and food, can and foil products as well as for use in automotive, electronics, architecture, transportation and industrial product markets.

The Company also has one of the largest single location Copper smelting facilities in India.

The equity shares of the Company are listed on the Indian Stock Exchanges (National Stock Exchange & Bombay Stock Exchange) and GDRs are listed on the Luxemburg Stock Exchange.

1A. Basis of preparation

The separate financial statements of Hindalco Industries Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (including subsequent amendments) and other accounting principles generally accepted in India.

The financial statements for the year ended March 31, 2020 have been approved for issue by the Board of Directors of the Company in their meeting held on June 12, 2020.

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

- Financial instruments - measured at fair value;
- Assets held for sale - measured at fair value less cost to sell;
- Plan assets under defined benefit plans - measured at fair value; and
- Employee share-based payments.

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

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

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

Company has determined current and non-current classification of its assets and liabilities in the financial statements as per the requirement of Ind AS 1 - 'Presentation of Financial Statements'. Based on its assessment, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

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

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

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Adoption of new Accounting Standards

The Company has applied the following Accounting Standards and its amendments for the first time for annual reporting period commencing April 1, 2019:

(a) Ind AS 116 - Leases:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing. Ind AS 17, Leases with effect from April 1, 2019 (the effective date). Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. However, there was no major change in accounting from a Lessor perspective.

(b) Other amendments:

On March 30, 2019, MCA has issued Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

i) Ind AS 12 - Income taxes

Appendix C to Ind AS 12, Income Taxes has been inserted. The appendix provides accounting for uncertainty over income tax treatments. The appendix provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. It also provides specific guidance in several areas where previously Ind AS 12 was silent. There are no new disclosure requirements in appendix However, the Company is required to add explanations on judgements and estimates made in uncertain tax treatment. New paragraph 57A has been added to Ind AS 12 to clarify that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

ii) Ind AS 19 - Employment Benefits

This amendment requires an entity to:

1) Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.

2) Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and separately recognise any changes in the asset ceiling through other comprehensive income. This amendment is applicable for any future plan amendments, curtailments, or settlements of the Company on or after April 1, 2019.

iii) Ind AS 23 - Borrowing Costs

Amendment to Ind AS 23 - Borrowing Costs clarifies that if a specific borrowing remains outstanding after a qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

iv) Ind AS 28 - Investments in Associates and Joint Ventures

Amendment to Ind AS 28 - Investments in Associates and Joint Ventures clarifies that long-term interests (for example, preference shares or long-term loans) in an associate or joint venture that form part of the net investment in the associate or joint venture and to which the equity method is not applied should be accounted for using Ind AS 109 - Financial Instruments. The requirements of Ind AS 109 are applied to long-term interests before applying the loss allocation and impairment requirements of Ind AS 28.

v) Ind AS 103 - Business Combinations - and Ind AS 111 - Joint Arrangements

Amendment has been made to Ind AS 103 - Business Combinations - and Ind AS 111 -

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Joint Arrangements - to clarify measurement of previously held interest in obtaining control/ joint control over a joint operation as follows:

(i) On obtaining control of a business that is a joint operation, previously held interest in joint operation is re-measured at fair value at the acquisition date;

(ii) A party obtaining joint control of a business that is joint operation should not re-measure its previously held interest in the joint operation. These amendments will apply to future transactions of the Company in which it obtains joint control of a business on or after April 1, 2019.

vi) Ind AS 109 - Financial Instruments

The narrow-scope amendments made to Ind AS 109 enable entities to measure certain pre-payable financial assets with negative compensation at amortised cost. These assets, which include some loans and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract and the asset must be held within a held to collect business model.

The Company had to change its accounting policies following the adoption of Ind AS 116 Leases,refer note 51 for details. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Crore Rupees (INR 1 Crore = INR 10,000,000) without any decimal unless otherwise stated.

1B. Significant Accounting Policies

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

A. Investment in Subsidiaries and joint ventures

The investments in subsidiaries and joint ventures are carried in the financial statements at historical cost except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in any subsidiary or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met. Any retained portion of an investment in a subsidiary or a joint venture that has not been classified as held for sale continues to be accounted for at historical cost.

Investments in subsidiaries and joint ventures carried at cost are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of the investment.

B. Investment in Associates

The investments in associates are carried in these financial statements at fair Value through Other Comprehensive Income (OCI).

C. Investment in joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

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The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the standard applicable to the particular assets, liabilities, revenues and expenses.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the financial statements only to the extent of other parties' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

D. Property, Plant and Equipment

Property, plant and equipment held for use in the production or/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.

The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Cost may also include effective portion on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment transferred from hedge reserve as basis adjustment.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash flow hedges of foreign currency transferred from the hedge reserve as basis adjustment.

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

Capital work-in-progress

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

Depreciation

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewal options, unless the renewals are reasonably certain. Depreciation is recorded using the straight line basis. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of that item is depreciated separately if its useful life differs from the other components of the asset.

Depreciation commences when the assets are ready for their intended use. Depreciated assets in Property, Plant & Equipment and accumulated depreciation amounts are retained fully until they are removed/retired from active use.

The useful life of the items of Property, Plant and Equipment estimated by the management for the current and comparative period are in line with the useful life as per Schedule II of the Companies Act, 2013, refer note 2.

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

E. Investment property
Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

F. Intangible Assets

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

Internally-generated intangible assets
Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if all of the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- management's intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset is recognised. Where no internally-generated intangible asset can be recognized, development expenditure is charged to the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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

Exploration for and evaluation of mineral resources
Expenditures associated with exploration for and evaluation of mineral resources after obtaining of legal rights to explore a specific area but before technical feasibility and commercial viability of extracting mineral resources are demonstrable are recognized as Exploration and Evaluation assets.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the statement of profit and loss.

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The Company measures its Exploration and Evaluation assets at cost and classifies it as Property, Plant and Equipment or Intangible Assets according to the nature of assets acquired and applies the classification consistently.

As the asset is not available for use, it is not depreciated but is monitored for indication of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting minerals resources are demonstrable and the development of the deposit is intended by the management. The carrying value of such exploration and evaluation asset is reclassified as Mining Rights.

De-recognition of intangible assets

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

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

G. Stripping cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of mineable coal / bauxite reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

The overburden removal costs are included in Mining Rights under Intangible assets and amortised based on stripping ratio on the quantity of coal / bauxite excavated.

H. Non-current assets (or disposal groups) held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal Group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as “Held for sale”, those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

I. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible, intangible and other non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If

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any such indication exists, the recoverable amount of the asset/cash generating unit is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

Non-financial assets (other than Goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

J. Foreign Currency Transactions

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items are measured at historical cost.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise, except for:

- eligible exchange differences on foreign currency borrowings relating to qualifying assets under construction are included in the cost of those assets when they are regarded as an adjustment to interest; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedge accounting policies).

Changes in the fair value of non-monetary equity instruments irrevocably classified as fair value through other comprehensive income includes gain or loss on account of exchange differences.

The fair value of financial liabilities and financial assets denominated in a foreign currency are translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

K. Provisions and contingencies

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

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

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a

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contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Restructurings

A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected that the Company will carry out the restructuring by stating to implement the plan or announcing its main feature to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

Restoration (including Mine closure), rehabilitation and decommissioning

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

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

Environmental liabilities

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

Litigation

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

Contingent Liabilities and Assets

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the financial statements unless it is virtually certain that the future event will confirm the asset’s existence and the asset will be realised.

Enterprise Social Commitment

Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area over a period of time where any new project is set up. Such obligation arises out of conditions mentioned in the Environment Clearance Certificate given by the Government for new projects and are generally defined as a percentage of total project cost. Present value of such future cash flows discounted at appropriate and applicable discount rates are capitalised against the obligation created. Actual cash flows that happen over the period are adjusted against the obligation. The obligation is increased over a period of time and the differential is recognized in the Statement of Profit and Loss as Interest Expense.

Renewable Power Obligation

Provision towards Renewable Power Obligation is created to the extent any obligated unit is unable to source renewable energy as a replacement to carbon energy as per requirement of the applicable regulation during the reporting period and is carried in books till the obligation is discharged by purchasing Renewable Energy Certificate from any of the authorised exchanges.

L. Leases

i) Accounting policy effective April 1, 2019:

Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of

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low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

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

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

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

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

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

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

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

Right of Use (ROU) Assets

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

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

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

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

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

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

The Company as Lessor

The Company enters into lease arrangements as a lessor with respect to some of its investment properties and buildings.

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

When the Company is an intermediate lessor, it accounts for the head lease and sub-lease as two separate contracts. The sub-lease is classified as finance or operating lease by reference to the right-of-use asset arising from the head lease.

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies Ind AS 115, Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

ii) Accounting policy till March 31, 2019:

Leases are classified as finance leases wherever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with an inflation price index or another systematic basis which is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, unless the payments

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are structured to increase in line with an inflation price index or another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

M. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and related production overheads. Costs of inventories include the transfer from equity any gains/losses on qualifying cash flow hedges for purchases of raw materials.

Cost of raw material comprises of Cost of purchases and also include all other costs incurred in bringing the inventories to their present location and condition.

The Inventories are measured at Fair Value only in those cases where the Inventories are designated into a fair value hedge relationship.

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

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

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

N. Trade receivable

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

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases, it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost less loss allowance.

Trade receivables which are subject to a factoring arrangement without recourse are de-recognized from the Balance Sheet in its entirety. Under this arrangement, the Company transfers relevant receivables to the factor in exchange for cash and does not retain late payment and credit risk.

Trade receivables which arise from contracts where the sale price is provisional and revenue model has the character of a commodity derivative are measured at fair value. The fair value is measured at forward rate and subsequent changes are recognised as Other Operating Revenue.

O. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company and are unpaid at the end of the financial year. The amounts are unsecured and usually paid within time limits as contracted. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months after the reporting period.

P. Financial Instruments

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

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Classification of financial assets

Financial assets are classified as 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer. All other non-derivative financial assets are 'debt instruments'.

Financial assets at amortised cost and the effective interest method

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

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

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

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

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

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

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

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

Debt instruments meeting these criteria are subsequently measured at fair value with any gains or losses arising on re-measurement recognised in other comprehensive income, except for impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. Interest calculated using the effective interest method is recognised in the statement of profit and loss 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 as a reclassification adjustment.

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

A financial asset is held for trading if:

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Gain/ (Loss) on Equity Instruments FVTOCI'. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the 'Gain/ (Loss) on Equity Instruments FVTOCI' is directly reclassified to retained earnings.

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

Dividends on these investments in equity instruments are recognised in the statement of profit and loss in investment income when the Company's right to receive the dividends is established, it is probable that the economic

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benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.

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

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in statement of profit and loss. Interest income from these financial assets is included in other income.

Dividend income on investments in equity instruments at FVTPL is recognised in the statement of profit and loss 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 carried at amortised cost and FVTOCI. For debt instruments that are measured at FVTOCI, the loss allowance is recognised in the statement of profit and loss.

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

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

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

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

For Trade Receivables and Contract Assets, the Company applies the simplified approach required by Ind AS 109, which requires expected life time losses to be recognized from initial recognition of the receivables.

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

De-recognition of financial assets
The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity or when it retains contractual rights to retain contractual cash flows from financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipient. If the Company neither transfers nor retains substantially all the risks and rewards of ownership 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 de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the

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Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss. Cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments issued by the Company

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

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

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

Financial guarantee contract liabilities
Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance is determined by using expected credit loss model; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

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

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

A financial liability is classified as held for trading if:

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

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit

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and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

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

Other financial liabilities

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

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

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

Offsetting financial instruments

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

Q. Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company has a policy to designate certain derivatives as either:

(a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) hedges of a particular risk associated with the cash flow of recognised assets or liabilities or a highly probable forecast transaction (cash flow hedge); or

(c) hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

Change in fair value of derivatives that are not designated in any hedge relationship as mentioned above are accounted through the statement of profit and loss at each reporting date.

The Company also identifies embedded derivatives in certain transactions. These derivatives are generally segregated from the host transactions and accounted for separately. These derivatives are designated into a hedge relationship if they meet hedge accounting criteria. Change in Fair Value of such embedded derivatives are accounted in Other Comprehensive Income if they are designated in a cash flow hedge relationship. Fair Value change of all other embedded derivatives including those that are not designated in any hedge relationship are accounted through the statement of profit and loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the derivative is more than 12 months and as a current asset or liability when the residual maturity of the derivative is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for

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hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the statement of profit and loss from that date except for inventory that is charged to statement of profit and loss on sale of goods.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain)/ Loss in Fair Value of Derivatives' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the statement of profit and loss in the periods when the hedged item affects the statement of profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability as a basis adjustment.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the statement of profit and loss at the time of the hedge relationship rebalancing.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Hedges of net investments in foreign operations
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated under the heading of 'Foreign Currency Translation Reserve'. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of profit and loss on the disposal of the foreign operation.

R. Cash and cash equivalents
Cash and cash equivalents comprise of cash at bank and on hand, short-term deposits and short term highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

S. Borrowing cost
General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Transaction costs in respect of long-term borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their

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expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

T. Accounting for government grants

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

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income and its amortization is recognized in 'Other Income' on straight line basis over expected useful lives of related assets.

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

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

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

U. Employee Benefits

Retirement benefit and termination benefits

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

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

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

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

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw

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the offer of the termination benefit and when the entity recognises any related restructuring costs. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Short-term and other long-term employee benefits

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

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

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

V. Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

Share appreciation rights which are cash settled, are recognised as employee benefit expense over the relevant service period. The liability is fair valued at each reporting date and are presented as employee benefit obligations in the balance sheet.

W. Income Taxes

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

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

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

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

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the period

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

The Company considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12.

X. Revenue recognition

The Company derives revenue principally from sale of hydrate, speciality alumina, aluminium and aluminium value added products, di-ammonium phosphate, copper, precious metals (gold and silver) and other materials.

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates, etc.

For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions from

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"Revenue from contracts with customers". In making these estimates, the Company considers historical results that have a predictive value of the amount that the Company expects to be entitled to for the transferred goods and services. If historical results have limited predictive value or the Company has limited experience with similar types of incentives, the estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively. No element of significant financing is deemed present as the sales are made with a credit term, which is consistent with market practice. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a cost with a corresponding provision.

For certain customer contracts, final prices are determined based on the underlying market index of commodity prices at a future date, for example prices on the London Metal Exchange Limited (LME) or London Bullion Markets Association (LBMA). In such contracts, the Company records revenue on a provisional basis considering current market price when control is transferred to the customer. At the end of each period, prior to final settlement date, adjustments are made to the provisional sale price based on movements in the underlying market index of commodity prices up to the date of final price determination. Such variable price movement is accounted as 'Other Operating Revenue'.

Revenue from irrevocable bill and hold/ holding certificate contracts is recognised when it is probable that delivery will be made, goods have been identified and kept separately, are ready for delivery in the present condition and the Company does not have the ability to use the product or to direct it to another customer. Under these arrangements, revenue is recognised once legal title has passed and control of the asset sold is transferred to the customer.

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

Claim on insurance companies, railway authorities and others are accounted for on acceptance basis.

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

Y. Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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

Z. Exceptional items

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

1C. Measurement of fair value

a. Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b. Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models.

c. Derivatives

Fair value of financial derivatives is estimated as the present value of future cash flows, calculated

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by reference to quoted price curves and exchange rates as of the balance sheet date. Options are valued using appropriate option pricing models and credit spreads are applied where deemed to be significant.

d. Embedded derivatives

Embedded derivatives that are separated from the host contract are valued by comparing the forward curve at contract inception to the forward curve as of the balance sheet date. Changes in the present value of the cash flows related to the embedded derivative are recognized in the balance sheet and in the income statement.

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

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period in which the same is determined.

The following paragraphs explain areas that are considered more critical, involving a higher degree of judgment and complexity.

a. Impairment of non-current assets

Ind AS 36 requires that the Company assesses conditions that could cause an asset or a Cash-Generating Unit (CGU) to become impaired and to test recoverability of potentially impaired assets. These conditions include changes resulting from market and economic environment, including internal and external factors such as the Company's market capitalization, significant changes in the Company's planned use of the assets or a significant adverse change in the expected prices, sales volumes or raw material cost. The identification of CGUs involves judgment, including assessment of where active markets exist, and the level of interdependency of cash inflows. CGU is usually the individual plant, unless the asset or the Company is an integral part of a value chain where no independent prices for the intermediate products exist, a Company of plants is combined and managed to serve a common market, or where circumstances otherwise indicate significant interdependencies.

In accordance with Ind AS 36, certain intangible assets are reviewed at least annually for impairment. If a loss in value is indicated, the recoverable amount is estimated as the higher of the CGU's fair value less cost to sell, or its value in use. Directly observable market prices rarely exist for the Company's assets, however, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Company for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

Determination of the recoverable amount involves management estimates on highly uncertain matters, such as commodity prices and their impact on markets and prices for upgraded products, development in demand, inflation, currency rate movements, input cost prices, operating expenses and tax and legal environment. The Company uses internal business plans, quoted market prices and the Company's best estimate of commodity prices, currency rates, discount rates and other relevant information. A detailed forecast is developed for a period of three to five years with projections thereafter.

b. Employee retirement plans

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

The Company provides defined benefit plans to its employees. The discount rate is based on Government bond yield. Assumptions for salary increase in the remaining service period for active plan participants are based on expected salary increase in India. Changes in these assumptions can influence the net asset or liability for the plan as well as the pension cost, refer note 43.

c. Environmental liabilities and Asset Retirement Obligation (ARO)

Estimation of environmental liabilities and ARO require interpretation of scientific and legal data, in addition to assumptions about probability and future costs, refer note 21.

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d. Taxes

The Company calculates income tax expense based on reported income. Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax basis that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned tax optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability, refer notes 25. For judgements related to adoption of lower tax rate as per Section 115BBA of the Income tax Act, refer note 22 (h).

e. Extension and termination option in a Lease

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

f. Useful lives of depreciable/ amortisable assets (tangible and intangible)

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

g. Recoverability of advances/ receivables

At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.

h. Fair value measurements

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date, refer note 47.

i. Contingent assets and liabilities, provisions and uncertain tax positions

There are various legal, direct and indirect tax matters and other obligations including environmental, mining, local and state levies, income tax holiday, availing input tax credits etc., which may impact the Company. Evaluation of uncertain liabilities and contingent liabilities and assets arising out of above matters require management judgment and assumptions, regarding the probability outflow or realization of economic resources and the timing and amount, or range of amounts, that may ultimately be determined. Such estimates may vary from the ultimate outcome as a result of differing interpretations of laws and facts, or application of relevant judicial precedents, refer notes 21, 25 and 45.

j Inventory Measurement

Measurement of bulk inventory quantities (such as coal, bauxite, copper concentrates, etc.) lying at yards and work in progress of precious metals at smelter and refinery is material, complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos, etc., refer note 11.

The Company performs physical counts of above inventory on a periodic basis using internal / external experts to perform volumetric surveys and assessments, basis which the estimate of quantity for these inventories is determined. The variations noted between book records and physical quantities of above inventories are evaluated and appropriately accounted in the books of account.

1E. Recent Accounting Pronouncements

There are no other new updates or standards issued through the date of issuance of these financial statements that have not yet been adopted by the Company.

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2. Property, Plant and Equipment (including ROU Assets) and Capital Work-in-Progress

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Property, Plant and Equipment – Cost	48,614	48,177
Less: Accumulated Depreciation and Impairment	16,447	15,008
Net Carrying amount of Property, Plant and Equipment	**32,167**	**33,169**
Right of Use (ROU) Assets, refer note - 51	989	-
Less: Accumulated Depreciation and Impairment	111	-
Net Carrying amount of Right of Use Assets	878	-
Net Carrying amount of Property, Plant and Equipment (including ROU Assets)	**33,045**	**33,169**
Capital Work-in-Progress, refer note 2 (f)	1,209	947
	34,254	**34,116**

Property, Plant and Equipment

₹ in Crore

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2018	Additions	Disposal/ Adjustments	As at March 31,2019	As at April 01, 2018	Additions	Disposal/ Adjustments	As at March 31, 2019	As at April 01, 2018	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold Land	542	37	-	579	-	4	-	4	-	-	-	-	575	542
Buildings	7,741	139	9	7,889	1,345	294	-	1,639	59	-	-	59	6,191	6,337
Plant and Machinery	38,108	569	(245)	38,432	10,989	1,207	(164)	12,032	667	-	(33)	634	25,766	26,452
Vehicles and Aircraft	404	27	(10)	421	186	22	(7)	201	-	-	-	-	220	218
Railway Sidings	489	*	*	489	121	28	-	149	17	-	-	17	323	351
Furniture and Fixtures	126	11	(9)	128	92	7	(8)	91	1	-	-	1	36	33
Office Equipment	172	13	(6)	179	128	16	(5)	139	1	-	-	1	39	43
Leased Plant & Machinery @	50	-	-	50	36	2	-	38	-	-	-	-	12	14
Leased Furniture & Fixtures@	10	-	-	10	1	2	-	3	-	-	-	-	7	9
Total	**47,642**	**796**	**(261)**	**48,177**	**12,898**	**1,582**	**(184)**	**14,296**	**745**	**-**	**(33)**	**712**	**33,169**	**33,999**

@ refer note 2 (j)

₹ in Crore

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2019	Additions	Disposal/ Adjustments	As at March 31, 2020	As at March 31, 2019	Additions	Disposal/ Adjustments	As at March 31, 2020	As at March 31,2019	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Freehold Land	579	19	-	598	4	4	-	8	-	-	-	-	590	575
Buildings	7,889	153	(6)	8,036	1,639	284	(4)	1,919	59	-	-	59	6,058	6,191
Plant and Machinery#	38,432	454	(360)	38,526	12,032	1,211	(171)	13,072	634	-	4	638	24,816	25,766
Vehicles and Aircraft	421	28	(9)	440	201	24	(5)	220	-	-	-	-	220	220
Railway Wagons	-	-	189	189	-	9	84	93	-	-	-	-	96	-
Railway Sidings	489	1	(1)	489	149	27	-	176	17	-	-	17	296	323
Furniture and Fixtures	128	9	(1)	136	91	7	(1)	97	1	-	-	1	38	36
Office Equipment	179	31	(10)	200	139	17	(10)	146	1	-	-	1	53	39
Total	**48,117**	**695**	**(198)**	**48,614**	**14,255**	**1,583**	**(107)**	**15,731**	**712**	**-**	**4**	**716**	**32,167**	**33,150**

refer notes 4 (f) and 2 (k)

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Right of Use Assets

₹ in Crore

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2019	Additions	Disposal/ Adjustments	As at March 31, 2020	As at 01.04.2019	Additions	Disposal/ Adjustments	As at March 31, 2020	As at April 01, 2019	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Leasehold Land	712	38	-	750	-	19	-	19	-	-	-	-	731	-
Buildings	70	21	(7)	84	-	26	(1)	25	-	-	-	-	59	-
Plant and Machinery	56	6	(1)	61	38	5	-	43	-	-	-	-	18	-
Vehicles and Aircraft	8	14	*	22	-	6	*	6	-	-	-	-	16	-
Railway Wagons	41	-	-	41	-	4	-	4	-	-	-	-	37	-
Railway Sidings	21	-	*	21	-	10	(1)	9	-	-	-	-	12	-
Furniture and Fittings	10	-	-	10	3	2	-	5	-	-	-	-	5	-
Total	**918**	**79**	**(8)**	**989**	**41**	**72**	**(2)**	**111**	**-**	**-**	**-**	**-**	**878**	**-**

Amount below rounding off convention.

These Right of Use Assets are combined with all other tangible assets and presented through a single line item 'Property, Plant and Equipment' under Non-Current Assets on the face of the Balance Sheet.

(a) Assets for which registration is pending

Freehold Land - Original Cost ₹ 31 Crore (as at 31/03/2019 ₹ 31 Crore). Carrying Amount ₹ 29 Crore (as at 31/03/2019 ₹ 30 Crore).

(b) The Company's share in jointly owned assets has been grouped together with the relevant class of Property, Plant and Equipment. The proportion of the Original Cost and Carrying Amount included in relevant class of assets are given below:

₹ in Crore

	31/03/2020		31/03/2019	
	Original Cost	Net Carrying Amount	Original Cost	Net Carrying Amount
Freehold Land	52	52	52	52
Buildings	41	29	41	30
Plant and Machinery	41	2	41	2
Furniture & Fixtures	4	*	4	*
Vehicles and Aircraft	*	*	*	*
Office Equipment	6	1	6	1

Amount below rounding off convention.

(c) Assets pledged and Hypothecated against borrowings:

i All the moveable and immoveable Property, Plant and Equipment of Mahan Aluminium, both present and future, carrying value ₹ 11,976 Crore (as at 31/03/2019 ₹ 12,402 Crore) are given as security towards first ranking charge against the rupee term loans from banks of ₹ 2,948 Crore (gross) (as at 31/03/2019 ₹ 2,948 Crore). All the moveable Property, Plant and Equipment of Mahan Aluminium, both present and future are given as first paripassu charge against the foreign currency term loan from bank of ₹ 473 Crore (gross) (as at 31/03/2019 ₹ 434 Crore), refer note 18A (b).

ii. All the moveable and immovable Property, Plant and Equipment of Aditya Aluminium both present and future, carrying value of ₹ 12,397 Crore (as at 31/03/2019 ₹ 12,834 Crore) are given as security towards charge against the term loan of ₹ 6,299 Crore (gross) (as at 31/03/2019 ₹ 6,299 Crore), refer note 18A (b).

iii. All moveable items of Property, Plant and Equipment (except moveable items of Mahan Aluminium, Aditya Aluminium, Kalwa Plant, Silvassa Plant, current assets of the Company) and certain immoveable properties of the Company are given as security towards Non-convertible debentures of ₹ 6,000 Crore (as at 31/03/2019 ₹ 6,000 Crore), refer note 18A (a).

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(d) For capital expenditures contracted but not incurred, refer note 45B.

(e) For previous year, in respect of future minimum lease payments and their present value of Property, Plant and Equipment taken under finance lease as per Ind AS 17, refer note 18A (d).

(f) CWIP comprises of various projects and expansion spread over all units. Many of these projects will be capitalized during the year ending March 31, 2021. The Company has tested the carrying value of CWIP for impairment as at reporting date. During the previous year, ₹ 9 Crore had been classified to held for sale from the CWIP.

Major CWIP are related to following Segments:

₹ in Crore

Segments	31/03/2020	31/03/2019
Aluminium	970	761
Copper	130	98
Corporate	109	88
Total	**1,209**	**947**

(g)

Items of Property, Plant and Equipment	Useful Life (Years)
Freehold Land	Infinite^
Buildings	30 - 60
Plant and Machinery	15 - 40
Vehicles and Aircraft	8 - 20
Railway Wagons	15
Railway Sidings	15
Furniture & Fixtures	8 - 10
Office Equipment	3 - 6

^ Freehold land used for mining is depreciated over 8 - 30 years.

(h) **Note on sale of Kollur unit.**
The Company has sold its Aluminium Foil manufacturing unit at Kollur, Telangana, on slump sale basis through a Business Transfer Agreement dated 26th April, 2019, Profit on sale amounting to ₹ 25 Crore is booked under Exceptional Income. (refer note 37)

(i) Residual values and useful lives of Property, Plant and Equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

(j) Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease assets identified under the earlier Ind AS 17 Leases, have been reclassified to ROU Assets. (refer note 51).

(k) Consequent upon settlement of claim with one of the major suppliers related to our Smelters at Aditya and Mahan, the Company has recovered ₹ 87 Crore as liquidated damages during the year. The entire amount has been credited to cost of respective items of Property, Plant and Equipment.

3. Investment Properties

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Cost	13	13
Less: Accumulated Depreciation and Impairment	4	4
Net Carrying Amount	**9**	**9**

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₹ in Crore

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2018	Addition	Disposal/ Adjustments	As at March 31, 2019	As at April 01, 2018	Addition	Disposal/ Adjustments	As at March 31, 2019	As at April 01, 2018	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold Land	1	-	-	1	-	-	-	-	-	-	-	-	1	1
Buildings	12	-	-	12	4	*	-	4	-	-	-	-	8	8
Total	**13**	**-**	**-**	**13**	**4**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**9**	**9**

₹ in Crore

Particulars	ORIGINAL COST				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2019	Addition	Disposal/ Adjustments	As at March 31, 2020	As at April 01, 2019	Addition	Disposal/ Adjustments	As at March 31, 2020	As at April 01, 2019	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at April 01, 2019
Freehold Land	1	-	*	1	-	-	-	-	-	-	-	-	1	1
Buildings	12	-	-	12	4	*	-	4	-	-	-	-	8	8
Total	**13**	**-**	**-**	**13**	**4**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**9**	**9**

**Amount below rounding off convention.*

₹ in Crore

		Year ended 31/03/2020	Year ended 31/03/2019
(a)	Amount recognised in profit and Loss for Investment Properties are as under:		
	Rental income	3	2
	Direct operating expenses (including repairs and maintenance) on properties generating rental income	(1)	(1)
	Direct operating expenses (including repairs and maintenance) on properties not generating rental income	-	-

(b) The Company has no contractual obligations to purchase, construct or develop Investment Properties or for repairs, maintenance and enhancements.

(c) The fair value of the Company's Investment Properties as at March 31, 2020 and as at March 31, 2019, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investments properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted.

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Fair Value of Investment Properties:	**Level 2**	**Level 2**
Freehold Land $	1	40
Buildings	48	48
	49	**88**

$ During the current year, the Company has sold its Aluminium Foil manufacturing unit situated at Kollur, Telengana, refer note 2 (h).

(d) Items of Investment Properties	Useful Life (Years)
Freehold Land	Infinite
Buildings	60

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4. Intangible Assets and Intangible Assets under Development

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Cost	680	709
Less: Accumulated Amortization and Impairment	366	364
Net Carrying amount	**314**	**345**
Intangible Assets under Development - (b)	73	35
	387	**380**

₹ in Crore

Particulars	ORIGINAL COST				ACCUMULATED AMORTISATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2018	Addition	Disposal/ Adjustments	As at March 31, 2019	As at April 01, 2018	Addition	Disposal/ Adjustments	As at March 31, 2019	As at April 01, 2018	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Mining rights (refer Notes (a) and (d))	421	96	-	517	105	101	-	206	-	-	-	-	311	316
Computer Software	68	4	-	72	58	6	-	64	-	-	-	-	8	10
Technological Licenses	39	-	-	39	38	1	-	39	-	-	-	-	-	1
Rights to Use Assets	81	-	-	81	52	3	-	55	-	-	-	-	26	29
Total	**609**	**100**	**-**	**709**	**253**	**111**	**-**	**364**	**-**	**-**	**-**	**-**	**345**	**356**

₹ in Crore

Particulars	ORIGINAL COST				ACCUMULATED AMORTISATION				ACCUMULATED IMPAIRMENT				NET CARRYING AMOUNT	
	As at April 01, 2019	Addition	Disposal/ Adjustments	As at March 31, 2020	As at April 01, 2019	Addition	Disposal/ Adjustments	As at March 31, 2020	As at April 01, 2019	Recognised/ (Reversed)	Disposal/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at April 01, 2019
Mining rights (refer Notes (a) and (d))	517	51	-	568	206	55	-	261	-	-	-	-	307	311
Computer Software	72	2	(1)	73	64	3	(1)	66	-	-	-	-	7	8
Technological Licenses	39	-	-	39	39	-	-	39	-	-	-	-	-	-
Rights to Use Assets (refer Note (f))	81	-	(81)	-	55	-	(55)	-	-	-	-	-	-	26
Total	**709**	**53**	**(82)**	**680**	**364**	**58**	**(56)**	**366**	**-**	**-**	**-**	**-**	**314**	**345**

(a) Addition in Mining Rights includes ₹ 47 Crore and amortization expense includes ₹ 38 Crore (as at 31/03/2019, addition included ₹ 91 Crore, and amortization expense included ₹ 88 Crore) towards stripping activity assets.

(b) The Carrying Amount of Intangible Asset under Development as at 31/03/2020 is ₹ 73 Crore (as at 31/03/2019 was ₹ 35 Crore). This includes ₹ 70 Crore pertaining to Enterprise Resource Planning System implementation (as at 31/03/2019 was ₹ 34 Crore). The Company has tested the carrying value of Intangible Asset under Development for impairment as at reporting date.

(c)

Items of Intangible Assets	Useful Life (Years)
Mining Rights	11 - 41
Computer Software	3 - 6
Technological Licenses	4 - 5

(d) Remaining amortisation period of mining rights ranges between 8 - 36 years.

(e) The useful lives of Intangible assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

(f) During the current year, the Company has reclassified its Right to use assets to Plant and Machinery (under Property, Plant and Equipment).

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5. Investments in Subsidiaries
(Fully Paid-up, unless otherwise stated)

₹ in Crore

	Face Value Per Unit	Numbers as at 31/03/2020	Numbers as at 31/03/2019	Value as at 31/03/2020	Value as at 31/03/2019
Investments in Equity Shares - (a) and (b)					
Unquoted					
A V Minerals (Netherlands) N.V.	€ 567.83	2,376,694	2,373,472	10,174	10,159
Dahej Harbour & Infrastructure Limited	₹ 10	50,000,000	50,000,000	50	50
East Coast Bauxite Mining Company Pvt. Limited	₹ 10	7,400	7,400	*	*
Hindalco Almex Aerospace Limited	₹ 10	172,115,744	172,115,744	83	83
Lucknow Finance Company Limited	₹ 10	9,902,500	9,902,500	10	10
Minerals & Minerals Limited	₹ 10	50,000	50,000	*	*
Renuka Investments & Finance Limited	₹ 10	9,250,000	9,250,000	9	9
Renukeshwar Investments & Finance Limited	₹ 10	4,795,000	4,795,000	5	5
Suvas Holdings Limited	₹ 10	22,149,714	21,647,825	22	22
Utkal Alumina International Limited	₹ 10	6,251,482,818	6,251,482,818	6,362	6,362
				16,715	**16,700**
Other Equity Investment - (Fair Value of Financial Guarantee given for) - (c)					
Utkal Alumina International Limited	NA	NA	NA	75	75
Suvas Holdings Limited	NA	NA	NA	*	*
A V Minerals (Netherlands) N.V.	NA	NA	NA	3	3
				78	78
				16,793	**16,778**

**Amount below rounding off convention.*

(a) Aggregate carrying value of Investments in subsidiaries is ₹ 16,793 Crore (as at 31/03/2019 ₹ 16,778). None of the subsidiaries is listed on any stock exchange in India or outside India it is carried at cost. There is no accumulated impairment during as at current or previous year end.

(b) Refer Note 53 to the Consolidated Financial Statements for information on principal place of business and the Company's ownership interest in the above subsidiaries.

(c) Financial guarantees given to subsidiaries were initially recognised at fair value as Other Equity Investment until the investment in subsidiaries are derecognised or impaired, refer note 27 (d).

6. Investments in Associates and Joint Ventures

A Investments in Associates
(Fully Paid-up, unless otherwise stated)

₹ in Crore

	Face Value Per Unit	Numbers as at 31/03/2020	Numbers as at 31/03/2019	Value as at 31/03/2020	Value as at 31/03/2019
Investments in Equity Shares at FVTOCI - (a)					
Unquoted					
Aditya Birla Science and Technology Company Private Limited	₹ 10	9,800,000	9,800,000	27	23
Aditya Birla Renewables Subsidiary Limited	₹ 10	6,895,200	5,746,000	7	5
Total (A)				**34**	**28**

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B. Investments in Joint Ventures (Fully Paid-up, unless otherwise stated)

₹ in Crore

	Face Value Per Unit	Numbers as at		Value as at	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019
Investments in Equity Shares at Cost - (a) and (c)					
Unquoted					
MNH Shakti Limited	₹ 10	12,765,000	-	13	-
Hydromine Global Minerals GmbH Limited	₹ 100	66,562	-	1	-
Total (B)				**14**	**-**
Investments in Associates and Joint Ventures (A+B)				**48**	**28**

(a) Aggregate amount of investments is given below:

Aggregate cost of unquoted investments in Associates	17	16
Aggregate cost of unquoted investments in Joint Ventures	46	-
Impairment on unquoted investments in Joint Ventures	(32)	-

(b) Refer Note 53 to the Consolidated Financial Statements for information on principal place of business and the Company's ownership interest in the above Associates and Joint Ventures.

(c) During the current year, Investment of ₹ 14 Crore (net of accumulated impairment Loss of ₹ 32 Crore) in Hydromine Global Minerals GmbH Limited and MNH Shakti Limited were reclassified from Non-Current Assets or Disposal Group classified as Held For Sale, refer Note 15A.

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7A. Other Investments, Non-Current
(Fully Paid-up, unless otherwise stated)

₹ in Crore

	Face Value Per Unit	Numbers as at		Value as at	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019
Equity Instruments at FVTOCI - (a)					
Quoted					
National Aluminium Company Limited	₹ 5	18,385,327	18,385,327	53	102
Grasim Industries Limited	₹ 2	28,222,468	28,222,468	1,344	2,421
UltraTech Cement Limited	₹ 10	1,258,515	1,258,515	408	503
Aditya Birla Fashion & Retail Limited	₹ 10	44,982,142	44,982,142	688	991
Vodafone Idea Limited - (b)	₹ 10	751,119,164	228,340,226	233	417
Aditya Birla Capital Limited	₹ 10	39,511,455	39,511,455	167	384
				2,893	**4,818**
Unquoted					
Sai Wardha Power Generation Limited	₹ 10	2,830,352	2,830,352	3	3
Birla International Limited	CHF 100	2,500	2,500	5	6
Bharuch Dahej Railway Company Limited	₹ 10	13,530,000	13,530,000	19	26
				27	**35**
Debt Instruments at FVTOCI - (a)					
Quoted					
Government Securities					
6.83% Government of India Bond, 2039		2,000,000	2,000,000	20	18
Debt Instruments at FVTPL - (a)				**20**	**18**

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₹ in Crore

	Face Value Per Unit	Numbers as at 31/03/2020	Numbers as at 31/03/2019	Value as at 31/03/2020	Value as at 31/03/2019
Unquoted					
Mutual Funds					
Investments in Debt Schemes of Mutual Funds				19	45
				19	**45**
				2,959	**4,916**

(a) Aggregate amount of Quoted and Unquoted Investments, Market Value of Quoted Investments are given below:

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Aggregate Cost of Quoted Investments	1,174	521
Aggregate Market value of Quoted Investments	2,913	4,836
Aggregate Cost of Unquoted Investments	38	60
Aggregate Carrying value of Quoted and Unquoted Investments	2,959	4,916

(b) During the current year, the Company has subscribed to the Rights Issue of Vodafone Idea Limited in the tune of ₹ 653 Crore (522,778,938 shares at ₹ 12.50 per share).

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7B. Other Investments, Current

₹ in Crore

	Face Value Per Unit	Numbers as at 31/03/2020	Numbers as at 31/03/2019	Value as at 31/03/2020	Value as at 31/03/2019
Investments in Government Securities at FVTOCI - (b)					
Quoted					
7.95% GOI FCI Special Bonds, 2026	₹ 100	513,000	513,000	5	5
6.65% GOI FCI Special Bonds, 2023	₹ 100	2,096,600	2,096,600	22	21
7.00% GOI FCI Special Bonds, 2022	₹ 100	3,039,500	3,039,500	31	30
6.20% GOI FCI Special Bonds, 2022	₹ 100	1,432,100	1,432,100	15	14
				73	70

Investments in Debentures and Bonds at FVTPL

₹ in Crore

	Face Value Per Unit	Numbers as at 31/03/2020	Numbers as at 31/03/2019	Value as at 31/03/2020	Value as at 31/03/2019
Investments in Other Entities - (b) and (c)					
Quoted					
7.18% NCD of IRFC	₹ 1,000	1,192	1,192	*	*
8.10% NCD of IRFC	₹ 1,000	30,453	30,453	3	3
7.19% NCD NHB	₹ 1,000,000	50	50	5	5
8.12% NCD of REC Limited	₹ 1,000	43,523	43,523	5	5
7.93% NCD of REC Limited	₹ 1,000	56,615	56,615	6	6
7.22% NCD of REC Limited	₹ 1,000	5,130	5,130	1	1
7.38% NCD of REC Limited	₹ 1,000	10,321	10,321	1	1
8.11% NCD of REC Limited	₹ 1,000,000	250	250	26	24

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₹ in Crore

	Face Value Per Unit	Numbers as at		Value as at	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019
8.27% NCD of REC Limited	₹ 1,000,000	250	250	26	25
7.18% NCD of PFC	₹ 1,000,000	500	500	51	47
7.19% NCD of PFC	₹ 1,000	9,565	9,565	1	1
7.36% NCD of PFC	₹ 1,000	25,187	25,187	3	3
8.20% NCD of PFC	₹ 1,000	36,862	36,862	4	4
8.30% NCD of PFC	₹ 1,000	10,163	10,163	1	1
7.77% NCD of PNB Housing Finance Ltd.	₹ 1,000,000	500	500	49	49
7.07% HUDCO Bonds	₹ 1,000,000	50	50	5	5
7.34% HUDCO Bonds	₹ 1,000	100,000	100,000	11	10
7.51% HUDCO Bonds	₹ 1,000	50,000	50,000	6	5
7.28% NHAI Bonds	₹ 1,000,000	50	50	6	5
8.63% NCD of IDFC Bank Ltd	₹ 1,000,000	-	250	-	25
				210	**225**
Investments in Mutual Funds at FVTPL - (a) and (b)					
Quoted					
Investments in Debt Schemes of Mutual Funds				4,556	3,477
				4,556	**3,477**
				4,839	**3,772**

*Amount below rounding off convention.

(a) Investments in Debt Schemes of Mutual Funds include ₹ 161 Crore (as at 31/03/2019 ₹ 76 Crore) being deposit as margin money with counter parties for derivative transactions.

(b) Aggregate amount of Quoted and Unquoted Investments, Market Value of Quoted Investments are given below:

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Aggregate Cost of Quoted Investments	4,511	3,696
Aggregate Market Value of Quoted Investments	4,839	3,772
Aggregate Cost of Unquoted Investments	-	-
Aggregate Carrying value of Quoted and Unquoted Investments	4,839	3,772

(c) NCD stands for Non Convertible Debentures

8. Loans

(Unsecured, Considered Good, unless otherwise stated)

₹ in Crore

	As at			
	31/03/2020		31/03/2019	
	Non-Current	Current	Non-Current	Current
Loan to Related Parties, (refer Note 44)	6	49	8	54
Loan to Employees	8	6	9	4
Loan to Others	-	*	-	*
	14	**55**	**17**	**58**

*Amount below rounding off convention

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9A. Other Financial Assets, Non-Current

(Unsecured, Considered Good, unless otherwise stated)

₹ in Crore

	As at	
	31/03/2020	**31/03/2019**
Derivative Assets, (refer Note 50)	46	96
Security Deposits - (a) and (b)	136	139
Deposit with Others - (a) and (c)	29	26
	211	**261**

(a) For related party transactions (refer Note 44).

(b) During the current year Security Deposit of ₹ 9 Crore (as at 31/03/2019 ₹ Nil) is pledged.

(c) During the current year earmarked balances with Banks is ₹ 20 Crore (as at 31/03/2019 ₹ 15 Crore).

9B. Other Financial Assets, Current

(Unsecured, Considered Good, unless otherwise stated)

₹ in Crore

	As at	
	31/03/2020	**31/03/2019**
Derivative Assets (refer Note 50)	862	822
Derivatives Matured Pending Realisation	49	18
Security Deposits		
Unsecured, Considered Good	36	22
Unsecured, Considered Doubtful	-	*
Less: Allowance for Doubtful amount	-	*
Deposits with Non-Banking Financial Company (NBFC) with initial maturity more than 3 months	-	215
Accrued Interest	18	28
Other Receivables		
Unsecured, Considered Good	17	30
Unsecured, Considered Doubtful	63	65
Less: Allowance for Doubtful Amount	(63)	(65)
	982	**1,135**

**Amount below rounding off convention.*

10. Other Assets

(Unsecured, Considered Good, unless otherwise stated)

₹ in Crore

	As at			
	31/03/2020		**31/03/2019**	
	Non-Current	**Current**	**Non-Current**	**Current**
Capital Advance	166	-	116	-
Advance to Employees	-	16	-	10
Deposit with Government and Other Authorities	-	39	-	34
Advance to Supplier for Goods and Services - (b)	141	805	23	980
Prepaid Expenses	8	34	7	33
Prepaid Rent for Leasehold Land (refer Note 51)	-	-	586	14
Others - (a) and (c)				
Unsecured, Considered Good	402	905	446	884
Unsecured, Considered Doubtful	10	138	10	112
Less: Allowance for Doubtful amount	(10)	(138)	(10)	(112)
	717	**1,799**	**1,178**	**1,955**

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(a) Mainly includes unutilised tax credits and claims receivables from Indirect Tax Authorities.

(b) For related party transactions (refer Note 44).

(c) Includes ₹ 192 Crore (Garepalma ₹ 74 Crore and Kathautia ₹ 118 Crore) towards appropriation of Performance Bank Guarantee by Nominated Authority (NA), refer Note 55.

11. Inventories

₹ in Crore

	As at					
	31/03/2020			31/03/2019		
	On Hand	In Transit	Total	On Hand	In Transit	Total
Raw Materials	1,786	2,285	4,071	1,310	3,011	4,321
Work-in-Progress	4,572	23	4,595	5,262	78	5,340
Finished Goods	1,282	55	1,337	518	201	719
Stock-in-Trade	127	-	127	-	-	-
Stores and Spares	585	33	618	520	26	546
Coal and Fuel	395	82	477	362	106	468
	8,747	**2,478**	**11,225**	**7,972**	**3,422**	**11,394**

(a) Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and taken to profit and loss when the inventory is either sold or consumed, refer Note 50 H.

The Company has extended fair value hedge accounting on its inventory which forms part of Work-in-Progress and Finished Goods during the year, refer Notes 50 A and 50 H.

(b) For Inventories hypothecated against secure short-term borrowings, refer Note 18B (a).

(c) Write downs of inventories (net of reversal) to net realizable value related to raw materials, work-in-progress and finished goods amounted to ₹ 266 Crore (as at 31/03/2019 ₹ 184 Crore). These were recognized as expense during the year and included in 'cost of raw material consumed' and 'change in value of inventories of work-in-progress and finished goods' in the Statement of Profit and Loss.

(d) Inventories include bulk materials of Coal, Bauxite and Copper Concentrate lying at yards and precious metals of Gold and Silver lying at smelter and refinery aggregating to ₹ 3,255 Crore (as at 31/03/2019 ₹ 2,286 Crore).

12. Trade Receivables

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Trade Receivables:		
Secured, Considered Good	3	7
Unsecured, Considered Good	2,099	2,123
Unsecured, Credit Impaired	30	30
	2,132	**2,160**
Loss Allowances - (c)	(39)	(35)
	2,093	**2,125**

(a) For trade receivables hypothecated against borrowings, refer Note 18B(a).

(b) No trade or other receivable is due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivable is due from firms or private companies, respectively, in which any director is a partner, or director or member.

(c) Loss allowances includes provision of ₹ 9 Crore (31/03/2019: ₹ 5 Crore) made on account of expected credit loss on Trade Receivables, refer Note 48 (C).

(d) Refer Note 44 for balances with related parties.

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13. Cash and Cash Equivalents

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Cash on Hand	*	*
Cheques and Drafts in Hand - (a)	6	8
Balances with Banks		
Current Accounts	213	344
Deposits with Initial Maturity of less than three Months	1,974	-
Short-term Liquid Investments in Mutual Funds	1,072	1,163
	3,265	**1,515**

(a) Includes ₹ * Crore (as at 31/03/2019 ₹ * Crore) remittance in transit.

(b) There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

* *Amount below rounding off convention.*

14. Bank Balances other than Cash and Cash Equivalents

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Balances with Banks		
Earmarked Balances - (a)	12	12
Deposits with Initial Maturity more than three months	3	53
	15	**65**

(a) Includes unclaimed dividend of ₹ 4 Crore (as at 31/03/2019 ₹ 5 Crore).

15A. Non-Current Assets or Disposal Group Classified as Held For Sale

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Non-Current Assets classified as Held For Sale - (a)	-	13
Assets of Disposal Group Held For Sale - (b)	68	81
	68	**94**

(a) Non-Current Assets classified as Held For Sale

Investments in Joint Ventures #

Hydromine Global Minerals GmbH Limited	-	1
MNH Shakti Limited	-	12
	-	**13**

During the current year Hydromine Global Minerals GmbH Limited and MNH Shakti Limited have been reclassified to Investment in Joint Ventures, refer Note 6B.

(b) Assets of Disposal Group Held For Sale

Land and Buildings	25	25
Plant and Machinery	41	40
Others - (ii)	2	16
Total	**68**	**81**

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(i) The Company is in the process of disposing the above assets.

(ii) Assets of Mahan Coal Limited and Tubed Coal Mines Limited, Joint Operations of the Company are included in 31/03/2019. During the current year it been presented in respective balance sheet line items as it did not continue to meet the criteria for held for sale.

(iii) The fair value of the assets held for sale approximates the carrying value.

(iv) Refer Note 53 to the Consolidated Financial Statements for information on principal place of business and the Company's ownership interest in the above Subsidiaries, Joint Ventures and Joint Operations.

15B. Liabilities Associated with Disposal Group classified as Held For Sale

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Liabilities Associated with Assets Held For Sale	-	*
Liabilities Associated with Disposal Group Held For Sale	-	*
	-	*****

* *Amount below rounding off convention.*

16. Equity Share Capital

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₹ in Crore

	As at	
	31/03/2020	31/03/2019
Authorised		
2,500,000,000 (as at 31/03/2019: 2,500,000,000) Equity Shares of ₹ 1/- each	250	250
25,000,000 (as at 31/03/2019: 25,000,000) Redeemable Cumulative Preference Shares of ₹ 2/- each	5	5
	255	**255**
Issued		
2,246,776,333 (as at 31/03/2019: 2,246,083,891) Equity Shares of ₹ 1/- each - (a)	225	225
	225	**225**
Subscribed and Paid-up		
2,246,768,936 (as at 31/03/2019: 2,246,076,494) Equity Shares of ₹ 1/- each fully paid-up	225	225
Less: Face Value of 546,249 (as at 31/03/2019: 546,249) Equity Shares forfeited	*	*
Add: Forfeited Shares (Amount originally Paid up)	*	*
	225	**225**
Less: Treasury Shares		
16,316,130 (as at 31/03/2019: 16,316,130) Equity Shares - (b)	(2)	(2)
5,885,672 (as at 31/03/2019: 5,558,727) Equity Shares refer Note 17 (A) (viii)	(1)	(1)
	222	**222**

* *Amount below rounding off convention.*

(a) Issued Equity Capital as at 31/03/2020 includes 7,397 Equity Shares (as at 31/03/2019 7,397 Equity Shares) of ₹ 1/- each issued on Rights basis kept in abeyance due to legal case pending.

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(b) Treasury shares are held by Trident Trust which represents 16,316,130 equity shares of ₹ 1/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Courts of Mumbai and of Allahabad, vide their Orders dated 31st October, 2002, and 18th November, 2002, respectively, to the Trident Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it. The tenure of the Trust is up to January 23, 2024.

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	As at			
	31/03/2020		31/03/2019	
	Numbers	₹ in Crore	Numbers	₹ in Crore
Equity Shares outstanding at the beginning of the period	2,223,655,388	222	2,228,646,772	223
Equity Shares allotted pursuant to exercise of Employee Stock Option Scheme	692,442	*	567,343	*
Equity Shares purchased from market pursuant to Employee Stock Option Scheme	(326,945)	*	(5,558,727)	(1)
Equity Shares outstanding at the end of the period	**2,224,020,885**	**222**	**2,223,655,388**	**222**

* *Amount below rounding off convention.*

(d) Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Details of shareholders holding more than 5% Equity Shares in the Company on reporting date:

	As at			
	31/03/2020		31/03/2019	
	Number of Shares Held	Percentage of Holding *	Number of Shares Held	Percentage of Holding *
IGH Holdings Private Limited	349,963,487	15.58	349,963,487	15.58
Birla Group Holdings Private Limited #	228,292,308	10.16	6,731,467	0.30
Life Insurance Corporation of India and its Associates	223,822,083	9.96	178,075,294	7.93
ICICI Prudential Mutual Fund and Its Associates	181,533,867	8.08	155,362,808	6.92
Morgan Guaranty Trust Company of New York	149,888,482	6.67	153,348,431	6.83
Turquoise Investment and Finance Private Limited #	-	-	124,012,468	5.52

* Percentage has been calculated on the basis of total number of shares outstanding (before adjusting shares held by Trident Trust and ESOP Trust, refer footnote (b) above and Note 17 (A) (viii).

During the current year Turquoise Investment and Finance Private Limited is merged with Birla Group Holdings Private Limited.

(f) Shares reserved for issue under options:

The Company has reserved equity shares for issue under the Employee Stock Option Schemes, refer Note 42 - Employee Share-based Payments for details of Employee Stock Option Schemes.

(g) The Company during the preceding 5 years:

i. Has not allotted shares pursuant to contracts without payment received in cash.

ii. Has not issued shares by way of bonus shares.

iii. Has not bought back any shares.

(h) The Board of Directors of the Company has recommended final dividend of ₹ 1.00 per share aggregating to ₹ 225 Crore for the year ended 31st March 2020 which has not been recognised in the financial statement.

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17. Other Equity

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Share Application Money Pending Allotment	*	*
Reserves and Surplus		
Capital Reserve	145	145
Capital Redemption Reserve	102	102
Business Reconstruction Reserve	7,715	7,715
Securities Premium	8,217	8,206
Debenture Redemption Reserve	1,200	1,050
Employee Stock Options	45	22
Treasury Shares held by ESOP Trust	(130)	(123)
General Reserve	21,354	21,354
Retained Earnings	4,834	4,813
	43,482	**43,284**
Other Reserves		
Gain/ (Loss) on Equity Instruments FVTOCI	1,766	4,348
Gain/ (Loss) on Debt Instruments FVTOCI	7	4
Effective portion of Cash Flow Hedge	(102)	198
Cost of Hedging Reserve	119	502
	1,790	**5,052**
	45,272	**48,336**

* *Amount below rounding off convention.*

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(A) Brief Descriptions of items of Other Equity are given below:

(i) Share Application Money pending Allotment:
Share application money pending allotment represents amount received from employees who have exercised employee stock options for which shares are pending allotment as on balance sheet date.

(ii) Capital Reserve:
The Company has created capital reserve pursuant to past mergers and acquisitions.

(iii) Capital Redemption Reserve:
The Company has created capital redemption reserve as per the requirement of the Companies Act.

(iv) Business Reconstruction Reserve:
The Company had formulated a scheme of financial restructuring under Sections 391 to 394 of the Companies Act, 1956 ("the Scheme") between the Company and its equity shareholders approved by the High Court of judicature of Bombay to deal with various costs associated with its organic and inorganic growth plan. Pursuant to this, a separate reserve account titled as Business Reconstruction Reserve ("BRR") was created during the year 2008-09 by transferring balance standing to the credit of Securities Premium Account of the Company for adjustment of certain expenses as prescribed in the Scheme.

(v) Securities Premium:
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Act.

(vi) Debenture Redemption Reserve:
The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend, for the purpose of redemption of debentures.

(vii) Employee Stock Options:
The employee stock option account is used to recognize the grant date fair value of options/RSUs issued to employees under stock option schemes.

(viii) Treasury Shares held by ESOP Trust
The Company has created a trust. "Hindalco Employee Welfare Trust" (Trust) for providing share-based payments to its employees (including its Subsidiaries' employees). The Company uses this Trust as a vehicle for distributing

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shares to employees covered under the Scheme. The Trust buys shares of the Company from the market, for giving shares to employees under the Employees Stock Option Scheme, 2018.

Shares held by Trust are treated as Treasury shares. Equity instruments that are reacquired (Treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit and loss on purchase, sale, issue or cancellation of Equity instruments. Share options whenever exercised, would be utilised from such treasury shares, refer Note 42.

(ix) General Reserve:
The Company has created this reserve by transferring certain amount out of the profit at the time of distribution of dividend in the past.

(x) Retained Earning:
Amount of retained earnings represents accumulated profit and losses of the Company as on reporting date. Such profits and losses are after adjustment of payment of dividend, transfer to any reserves as statutorily required and adjustment for realised gain/loss on derecognition of equity instruments measured at FVTOCI.

(xi) Other Reserves:

a) Gain/ (Loss) on equity and debt instruments accounted as FVTOCI:
The Company has elected to recognize changes in the fair value of certain investments in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve and FVTOCI debt investment reserve within equity.

b) Effective portion of Cash Flow Hedge:
The Company uses hedging instruments as part of its risk management policy for commodity and foreign currency risk as described in Note 50. The Cash Flow hedging reserve is used to recognise the effective portion of gain or loss on designated hedging relationship, refer Notes 50 E and 50 F(i).

c) Cost of Hedging Reserve:
The Company designates the spot component of some of its derivative instruments in cash flow hedge relationship. The Company defers changes in the forward element of such instruments in the cost of hedging reserve. The deferred cost of hedging are included in the initial cost of the related hedged items when it is recognized or reclassified to the statement of profit and loss when the hedged item effects the statement of profit and loss. The Company also designates time value of option contracts which are included in the cost of hedging reserve, refer Notes 50 E and 50 F(ii)

(B) Movement of each item of other equity is presented in Statement of Changes in Equity (SOCIE)

18A. Borrowings, Non-current

₹ in Crore

Particulars	As at					
	31/03/2020			31/03/2019		
	Non-Current Portion	Current Maturities*	Total	Non-Current Portion	Current Maturities*	Total
Secured						
Debentures						
Secured Non-Convertible Debentures - (a)	5,994	-	5,994	5,991	-	5,991
Term Loans						
From Banks						
Rupee Term Loans - (b)	9,197	6	9,203	9,187	-	9,187
Foreign Currency Term Loans - (c)	469	-	469	427	-	427
Finance Lease Obligation - (d)	-	-	-	28	5	33
	15,660	6	15,666	15,633	5	15,638
Unsecured						
Deferred Payment Liabilities	-	-	-	1	-	1
	15,660	**6**	**15,666**	**15,634**	**5**	**15,639**

[#] Current maturities of non-current borrowings have been disclosed under "Other Financial Liabilities, Current".

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(a) Debentures comprise of following:

₹ in Crore

	As at 31/03/2020 Gross Amount	31/03/2020 Carrying Value	31/03/2019 Gross Amount	31/03/2019 Carrying Value	Redemption Date
15,000 9.60% Redeemable Non-Convertible Debentures of ₹ 10 lakh each	1,500	1,498	1,500	1,497	02/08/2022
15,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lakh each	1,500	1,497	1,500	1,496	27/06/2022
30,000 9.55% Redeemable Non-Convertible Debentures of ₹ 10 lakh each	3,000	2,999	3,000	2,998	25/04/2022
	6,000	**5,994**	**6,000**	**5,991**	

All the above Debentures are secured by the moveable assets, both present and future (except moveable assets of Mahan Aluminium, Aditya Aluminium, Kalwa plant, Silvassa Plant, Current Assets of the Company) and certain immoveable properties of the Company, refer Note 2 (c) (iii).

(b) Rupee term loan from banks comprise of following:

₹ in Crore

	Note	Rate of Interest	As at 31/03/2020 Gross Amount	31/03/2020 Carrying Value	31/03/2019 Gross Amount	31/03/2019 Carrying Value	End of Tenure
Axis Bank	(i)	MCLR 1 Month#	619	613	619	614	31/03/2030
State Bank of India	(i)	MCLR 3 Months + 10 bps	2,239	2,227	2,239	2,222	31/03/2030
ICICI Bank	(i)	MCLR 3 Months	90	90	90	90	31/03/2030
State Bank of India	(ii)	MCLR 3 Months + 10 bps	4,672	4,657	4,672	4,645	01/09/2030
PNB Bank	(ii)	MCLR 3 Months	256	255	256	255	01/09/2030
Axis Bank	(ii)	MCLR 1 Months#	1,371	1,361	1,371	1,361	01/09/2030
			9,247	**9,203**	**9,247**	**9,187**	

Benchmark changed w.e.f. Sept 2019. Previous benchmark was MCLR 3 Months.

i. The term loans from banks of ₹ 2,948 Crore (gross) are secured by a first ranking charge/ mortgage/ security interest in respect of all the moveable fixed assets and all the immoveable properties of Mahan Aluminium Project, both present and future. ₹ 2,858 Crore (gross) is to be repaid in 16 quarterly instalments commencing from June 2026. ₹ 90 Crore (gross) is to be repaid in 40 quarterly instalments commencing from June 2020, refer Note 2 (c) (i).

ii The term loan of ₹ 6,299 Crore (gross) is secured by a first ranking charge/ mortgage/security interest in respect of all the moveable fixed assets and all the immoveable properties of Aditya Aluminium Project both present and future. ₹ 6,299 Crore (gross) is to be repaid in 26 quarterly instalments commencing from May 2024, refer Note 2 (c) (ii).

(c) Foreign currency term loans from bank comprise of following:

₹ in Crore

	Currency	Rate of Interest	As at 31/03/2020 Gross Amount	31/03/2020 Carrying Value	31/03/2019 Gross Amount	31/03/2019 Carrying Value	End of Tenure
Bank of Tokyo Mitsubishi (BTMU)	USD	LIBOR 3M + 135 bps	301	299	277	272	31/03/2022
Bank of Tokyo Mitsubishi (BTMU)	USD	LIBOR 3M + 135 bps	172	170	157	155	30/06/2022
			473	**469**	**434**	**427**	

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Foreign currency term loan pertains to loan from Bank of Tokyo Mitsubishi (BTMU) of USD 40 Millions and USD 22.79 Millions. BTMU loan is secured by a pari-passu first charge on all movlable fixed assets of Mahan Aluminium, both present and future. The loans will be repaid in the single instalment at the end of the tenure, refer Note 2 (c) (i).

(d) Finance Lease Obligations:

In respect of finance lease obligations, future minimum lease payments and their present value are following:

₹ in Crore

	As at 31.03.2019		
	Gross Obligation	Present Value	Interest
Not later than one year	8	5	3
Later than one year and not later than five years	28	20	7
Later than five years	8	8	1
	44	**33**	**11**

Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease obligations identified under the earlier Ind AS 17 Leases, have been reclassified and included under Lease Liability against ROU Assets which is presented at the face of the Balance Sheet, refer Note 51.

(e) Net Debt Reconciliation:

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₹ in Crore

	Liabilities from Financing Activities			Total
	Non-Current Borrowings	Current Borrowings	Finance Lease Obligations	
Balance as at 01/04/2018@	**17,697**	**3,104**	**38**	**20,839**
Cash Flows (Net)	(1,575)	947	(5)	(633)
Foreign Exchange Adjustments	26	(145)	-	(119)
Fair Value Changes, refer Note 27 - (c)	(50)	-	-	(50)
Debt Issuance Costs and Amortisation (Net)	39	-	-	39
Interest Expense **	1,414	181	3	1,598
Interest Paid **	(1,408)	(163)	(3)	(1,574)
Balance as at 31/03/2019@	**16,143**	**3,924**	**33**	**20,100**
Recognised on Adoption of Ind AS 116	**-**	**-**	**272**	**272**
Acquisition - Right of Use Assets	-	-	79	79
Cash Flows (Net)	-	3,121	(63)	3,058
Foreign Exchange Adjustments	39	368	-	407
Fair Value Changes, refer Note 27 (c)	(19)	-	-	(19)
Debt Issuance Costs and Amortisation (Net)	41	-	-	41
Interest Expense **	1,342	189	25	1,556
Interest Paid **	(1,347)	(183)	(22)	(1,552)
Other Changes/Reclassification - Modification/Reassessment	-	-	(7)	(7)
Balance as at 31/03/2020@	**16,199**	**7,419**	**317**	**23,935**

@ Borrowings include Interest accrued on borrowings and current maturities of related borrowings.

** Interest expense and interest paid relates to borrowings and lease liabilities.

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18B. Borrowings, Current

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Secured		
Rupee Loans from Banks - (a) and (c)	1,115	108
	1,115	**108**
Unsecured		
Rupee Loans from Banks - (d)	1,302	-
Foreign currency Loans from Indian Banks	1,368	597
Foreign currency Loans from Foreign Banks - (b)	3,599	2,404
Commercial Papers	-	786
Other Borrowings	*	*
	6,269	**3,787**
	7,384	**3,895**

* *Amount below rounding off convention.*

(a) Working Capital loan for Aluminium business, granted under the Consortium Lending Arrangement, are secured by a first pari-passu charge on entire stocks of raw materials, work-in-process, finished goods, consumable stores and spares and also book debts pertaining to the Company's Aluminium business, both present and future. Working Capital loan for the Copper business is secured by a first pari-passu charge on stocks of raw materials, work-in-process, finished goods and consumable stores and spares and also book debts and other moveable assets of Copper business, both present and future. (refer Note 11 (b))

(b) Balance represents Buyers Credit from offshore branch.

(c) Secured Rupee Loan includes amount received from Banks under Special Banking Arrangement where banks pay on behalf of Government of India, amount related to Fertiliser Subsidy Receivables and Government of India pay directly to Banks.

(d) Rupee Loans from Banks represents loan taken to meet the Company's working capital requirements.

(e) Loan Details are as follow:

₹ in Crore

	Currency	Rate of Interest	As at Carrying Amount 31/03/2020	As at Carrying Amount 31/03/2019
Secured				
Rupee Loans from Banks	INR	7.85% p.a. - 8.50% p.a.	1,107	-
Rupee Loans from Banks	INR	6.15% p.a.	8	108
Unsecured				
Rupee Loans from Banks	INR	7.50% p.a. - 8.30% p.a.	1,302	-
Foreign Currency Loans from Indian Banks	USD	6 M Libor	1,368	597
Foreign Currency Loans from Foreign Banks	USD	6 M Libor	3,599	2,404
Commercial Papers	INR	7.37% p.a. #	-	786
			7,384	**3,895**

Rate of interest pertains to previous year.

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19. Trade Payables

₹ in Crore

	As at			
	31/03/2020		31/03/2019	
	Non-Current	Current	Non-Current	Current
Micro and Small Enterprises - (a)	-	17	-	14
Other than Micro and Small Enterprises - (b)	*	3,973	2	5,720
	*****	**3,990**	**2**	**5,734**

* *Amount below rounding off convention.*

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

₹ in Crore

	As at	
	31/03/2020	31/03/2019
(i) Principal amount outstanding	16	14
(ii) Interest on Principal amount due	-	*
(iii) Interest and Principal amount paid beyond appointment day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the amount of interest specified under MSME Development Act.	1	*
(v) The amount of interest accrued and remaining unpaid at the end of the year	1	*
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSME Development Act.	1	*

(b) For details of trade payables to related parties, refer Note 44.

* *Amount below rounding off convention.*

20A. Other Financial Liabilities, Non-Current

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Derivative Liabilities, (refer Note 50)	141	63
Liability for Capital Expenditure	5	4
Retention Amount Payable	3	3
Security and Other Deposits	-	*
	149	**70**

* *Amount below rounding off convention.*

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20B. Other Financial Liabilities, Current

₹ in Crore

	As at 31/03/2020	As at 31/03/2019
Derivative Liabilities (refer Note 50)	487	474
Derivatives matured, pending settlement	2	1
Current maturities of Finance Lease Obligations - (b)	-	5
Current maturities of Long-term Borrowings	6	-
Interest Accrued but not due	568	566
Liability for Capital Expenditure	259	716
Retention Amount Payable	108	85
Security and Other Deposits	29	26
Investor Education and Protection Fund		
Unclaimed Dividends - (a)	4	5
Deferred Operating Lease Obligations - (b)	-	2
Temporary Book Overdraft	28	5
	1,491	**1,885**

(a) This amount does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund except ₹ * Crore (as at 31/03/2019 ₹ * Crore) which is held in abeyance due to legal cases pending.

(b) Upon introduction of Ind AS 116 Leases effective 01/04/2019, all Finance Lease obligations identified under the earlier Ind AS 17 Leases, have been reclassified and included under Lease Liability against ROU Assets which is presented at the face of the Balance Sheet. ROU assets are created for the long term lease agreements other than low value Leases and short term leases, due to this Deferred operating lease obligation is nil as at March 31, 2020, refer Note 51.

* *Amount below rounding off convention.*

21. Provisions

₹ in Crore

	As at 31/03/2020		As at 31/03/2019	
	Non-Current	Current	Non-Current	Current
Employee Benefits (refer Note 43)	261	263	184	234
Asset Retirement Obligations - (a)	95	-	91	-
Environmental Liabilities - (a)	8	45	5	67
Enterprise Social Commitment - (a)	133	11	129	26
Renewable Power Obligations - (a)	-	171	-	82
Legal Cases - (a)	-	425	-	288
Other Provisions - (a)	-	13	1	13
	497	**928**	**410**	**710**

(a) The details of provisions movement are as under:

₹ in Crore

Particulars	Assets Retirement Obligations	Environmental Liabilities	Enterprise Social Commitment	Legal Cases	Renewable Power Obligations	Others	Total
Balance as at 01-Apr-18	**87**	**19**	**146**	**264**	**141**	**12**	**669**
Provision made during the year	3	60	5	-	159	9	236
Reclassified	-	-	-	24	1	-	25
Provision utilised during the year	(3)	(8)	(5)	-	(219)	-	(235)
Provision reversed during the year	-	-	-	-	-	(7)	(7)
Unwinding of discount	4	1	9	-	-	-	14
Balance as at 31-Mar-19	**91**	**72**	**155**	**288**	**82**	**14**	**702**

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₹ in Crore

Particulars	Assets Retirement Obligations	Environmental Liabilities	Enterprise Social Commitment	Legal Cases	Renewable Power Obligations	Others	Total
Provision made during the year - (d)	-	18	8	3	154	-	183
Reclassified	-	-	-	190	-	-	190
Provision utilised during the year	-	(21)	(1)	(25)	(65)	(1)	(113)
Provision reversed during the year	-	(17)	(27)	(31)	-	-	(75)
Unwinding of discount	4	1	9	-	-	-	14
Balance as at 31-Mar-20	**95**	**53**	**144**	**425**	**171**	**13**	**901**

(b) Current and Non-Current bifurcation of above provisions

₹ in Crore

	As at	
	31/03/2020	**31/03/2019**
Non-Current Portion	236	226
Current Portion	665	476
	901	**702**

(c) Brief Description of Provisions

i) Assets Retirement Obligations

Asset Retirement Obligation (ARO) is a legal or constructive obligation associated with the ash ponds, ash pipeline and coal transportation system at Renusagar, red mud ponds at Muri and mining lands at Chattisgarh and Jharkhand where these lands need to be restored back to usable condition after closing of activities. This is a statutory requirement in which the timing or method of settlement may be conditional on one or multiple future events, the occurrence of which may not be within the control of the entity. The outflow of economic resources is expected during FY 21 to FY 47. The same has been appropriately discounted.

ii) Environmental Liabilities

Environmental Liability associated with disposal of hazardous material generated during the course of manufacturing or mining operation e.g. disposal of spent pot lining, Gypsum, Slag etc. This disposal generally takes place as per the guidelines set by various regulatory authorities of States and Central Government. The outflow of economic resources is generally expected in the following financial year.

iii) Enterprise Social Commitments

Enterprise Social Commitment is the amount to be spent on social and economic development of the surrounding area where new project is being setup. This is generally defined as a certain percentage of the total cost of the project. The outflow of economic resources is expected during FY 21 to FY 56. This has been appropriately discounted wherever necessary.

iv) Legal Cases

There are few legal cases against which provision has been made since these events are probable to happen i.e. more likely than not but timing of occurrence of such events is uncertain as it depends on when the matter will be settled at the highest Court of Law.

v) Renewable Power Obligations

Some of our units situated in various states like Odisha, Madhya Pradesh, Maharashtra, Gujarat, Jharkhand etc. who gets power from Captive power plants or procure power from open source, are obligated to purchase certain portion of their power consumption from Renewable Energy sources both solar and non-solar. This gives rise to Renewable Power Obligation (RPO). In case the obligated units fail to procure power from such renewable sources, they may satisfy the obligation by purchasing Renewable Energy Certificates from authorised exchanges as an alternative.

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(d) Pursuant to the issuance of notification by Odisha Electricity Regulatory Commission (OERC) dated December 31, 2019, on pegging of renewable power obligation (RPO) by obligated units based on their year of commissioning, the Company has provided for RPO during the year at the reduced rate. Pending clarification and guidance on carry over of excess Renewable Energy Certificates (RECs) purchased by the Company, arising out of retrospective application of the said notification for the period prior to April 1, 2019, no adjustments has been made for the period prior to April 1, 2019.

22. Tax Expenses and Deferred Tax Liabilities (Net)

₹ in Crore

	As at	
	31/03/2020	**31/03/2019**
Deferred Tax Liabilities	6,646	6,635
Deferred Tax Assets	(4,671)	(4,456)
Deferred Tax Liabilities (Net of Deferred Tax Assets) - (A)	**1,975**	**2,179**

₹ in Crore

	Year ended	
	31/03/2020	**31/03/2019**
(a) Income tax expenses recognised in Statement of Profit and Loss		
Current Tax		
Current Income Tax Expenses for the year	151	375
Tax Adjustment for earlier years	(14)	-
	137	**375**
Deferred Tax		
Deferred Income Tax (benefits)/expenses for the year	346	605
MAT Credit Entitlement	(151)	(375)
	195	**230**
Total Income Tax Expenses recognised in Statement of Profit and Loss for the year	**332**	**605**
(b) Reconciliation of estimated Income Tax Expenses at Indian Statutory Income Tax Rate to Income Tax Expenses reported in the Statement of Comprehensive Income		
Profit before Income Taxes	952	1,810
Indian Statutory Income Tax Rate *	34.94%	34.94%
Estimated Income Tax Expenses	**333**	**632**
Tax effect of adjustments to reconcile expected Income Tax expenses to reported Income Tax Expenses:		
Income Exempt from Tax	(21)	(60)
Long-Term Capital (Gains)/Losses	(9)	2
Expenses not deductible in determining Taxable Profit	43	31
Tax Adjustment for earlier years	(14)	-
	(1)	**(27)**
Income Tax Expenses recognised in the Statement of Profit and Loss	**332**	**605**

*Applicable Indian statutory tax rate for the years ended 31/03/2020 and 31/03/2019 is 34.944%. Further, the Company is required to pay Minimum Alternate Tax u/s 115JB of Income Tax Act, 1961.

	Year ended	
	31/03/2020	**31/03/2019**
(c) Income Tax Expenses recognised in OCI		
Remeasurement of Defined Benefit Obligations	(28)	(1)
Change in Fair Value of Debt and Unquoted Equity Instruments designated at FVTOCI	2	-
Cash Flow Hedges and Others	(376)	29
	(402)	**28**

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		Year ended	
		31/03/2020	31/03/2019
(d)	**Income Tax Expense recognised directly in Equity**		
	Basis adjustment on Cash Flow Hedges and others	8	-
		8	**-**

(e)	**Deferred Tax Balances presented in the Balance Sheet are as follows:**		
	Deferred Tax Assets		
	Deferred Tax Assets	2,518	2,453
	MAT Credit Entitlement	2,153	2,003
		4,671	**4,456**
	Deferred Tax Liabilities		
	Deferred Tax Liabilities	(6,646)	(6,635)
		(6,646)	**(6,635)**
	Net Deferred Tax Assets/(Liabilities)	**(1,975)**	**(2,179)**

(f) Components and movement in Deferred Tax Assets and (Liabilities) as of and during the year ended:

₹ in Crore

	As at 01.04.2018	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Deferred Tax on Basis Adjustment	As at 31.03.2019
Deferred Income Tax Assets					
Provisions deductible for tax purposes in future period	350	17	-	-	367
Tax Losses/Benefits carry forwards, Net #	2,235	(443)	-	-	1,792
Retirement Benefits and Compensated Absences	68	2	1	-	71
Deferred Income	230	(7)	-	-	223
MAT Credit Entitlement	1,628	375	-	-	2,003
	4,511	**(56)**	**1**	**-**	**4,456**
Deferred Income Tax Liabilities					
PP&E Depreciation and Intangible Amortisation	(5,963)	(200)	-	-	(6,163)
Cash Flow Hedges	(347)	-	(29)	*	(376)
Fair Value Measurements of Financial Instruments	(100)	73	*	-	(27)
Others	(22)	(47)	-	-	(69)
	(6,432)	**(174)**	**(29)**	**-**	**(6,635)**
Net Deferred Tax Assets/(Liabilities)	**(1,921)**	**(230)**	**(28)**	**-**	**(2,179)**

* *Amount below rounding off convention.*

₹ in Crore

	Balance as on 31.03.2019	Adjustment on Adoption of Ind AS 116	Opening Balance 01.04.2019	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Deferred Tax on Basis Adjustment	As at 31/03/2020
Deferred Income Tax Assets							
Provisions deductible for tax purposes in future period	367	95	462	3	-	-	465
Tax Losses/Benefits carry forwards, Net #	1,792		1,792	(57)	-	-	1,735
Retirement Benefits and Compensated Absences	71		71	3	28	-	102
Deferred Income	223		223	(7)	-	-	216
MAT Credit Entitlement	2,003		2,003	150	-	-	2,153
	4,456	**95**	**4,551**	**92**	**28**	**-**	**4,671**

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₹ in Crore

	Balance as on 31.03.2019	Adjustment on Adoption of Ind AS 116	Opening Balance 01.04.2019	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Deferred Tax on Basis Adjustment	As at 31/03/2020
Deferred Income Tax Liabilities							
PP&E Depreciation and Intangible Amortisation	(6,163)	(90)	(6,253)	(171)	-	-	(6,424)
Cash Flow Hedges	(376)		(376)	-	376	(8)	(8)
Fair Value Measurements of Financial Instruments	(27)		(27)	(87)	(2)	-	(116)
Others	(69)		(69)	(29)	-	-	(98)
	(6,635)	**(90)**	**(6,725)**	**(287)**	**374**	**(8)**	**(6,646)**
Net Deferred Tax Assets/(Liabilities)	**(2,179)**	**5**	**(2,174)**	**(195)**	**402**	**(8)**	**(1,975)**

Tax Losses/Benefits carry forwards represent deferred income tax asset on unabsorbed depreciation carried forward under the Income Tax Act, for which there is no expiry period.

(i) Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relates to income tax levied by the same taxation authorities.

(ii) The Company has not recognised deferred tax assets on the following long-term capital losses as presently it is not probable of recovery.

₹ in Crore

Description	AY@	Amount	Tax Impact	Year of Expiry
Long-term Capital Loss	2012-13	55	13	AY 2020-21
Long-term Capital Loss	2013-14	38	9	AY 2021-22
Long-term Capital Loss	2015-16	29	7	AY 2023-24
Long-term Capital Loss	2016-17	34	8	AY 2024-25
Long-term Capital Loss	2017-18	901	210	AY 2025-26
		1,057	**247**	

@ Assessment Year (AY).

(g) The Company has not recognised deferred tax asset in respect of deductible temporary differences related to its equity investments measured at FVTOCI, subsidiaries and associates as presently it is not probable that future taxable long-term capital gain will be available in the foreseeable future to recover such deferred tax assets.

(h) The Taxation Law (Amendments) Ordinance 2019 ('the Ordinance'), provides an option to domestic companies to pay income tax at a lower rate of 22% (plus applicable surcharge and cess) instead of the normal rate of 30% (plus applicable surcharge and cess) depending on the conditions specified in this behalf under section 115BAA of the Income-tax Act, 1961. A domestic company can avail of the lower tax rate only if it opts for not availing of certain exemptions or incentives specified in this behalf in the Ordinance. There is no time limit prescribed under the above to choose the option of lower tax rate under Section 115BBA, however, once chosen it is irreversible.

The Company is having carried forward unabsorbed depreciation, accumulated MAT credit and tax incentives to be availed/adjusted against future taxable profits. Based on the projections prepared by the management, including its plan for future capital expenditure for capacity enhancement, the Company has determined that exercising the option of lower rate will be beneficial only from April 1, 2037. The Company has assessed that the net deferred tax liability as at March 31, 2020 would get reversed within the period for which the Company is expected to continue to be in the existing tax regime Accordingly, the Company has not made any adjustments to reverse its deferred tax liability balances as at March 31, 2020.

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23. Other Liabilities

₹ in Crore

	As at			
	31/03/2020		31/03/2019	
	Non-Current	Current	Non-Current	Current
Customer Refund Liabilities - [(a) & (refer Note 26)]	-	89	-	89
Statutory Dues Payable	-	256	-	455
Deferred Income - (b)	594	21	615	21
Other Payables	34	24	27	120
	628	**390**	**642**	**685**

(a) Customer refund liabilities are recognised for discount payable to customers.

(b) Represents deferred income in respect of grant related to Export Promotion Capital Goods (EPCG).

24. Contract Liabilities

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Advance from Customers (refer Note 26)	158	126
	158	**126**

a) Reconciliation of contract liabilities for the periods presented:	
Balance at beginning of the year	**126**
Amount received during the year against which revenue has not been recognized	146
Revenue recognized during the year	
a) Contract Liabilities at the beginning of the year	(114)
b) Performance Obligations satisfied in previous years	-
Others	*
Foreign Exchange gains and losses	*
Balance at end of the year	**158**

* *Amount below rounding off convention.*

25. Income Tax Assets and Liabilities

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Income Tax Assets		
Non-Current Tax Assets (Net)	325	282
Current Tax Assets	-	1,424
	325	**1,706**
Income Tax Liabilities (Net)		
Current Tax Liabilities (Net)	997	972
	997	**972**

The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities, refer Note 1D.

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26. Revenue from Operations

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Revenue from contracts with customers		
Sale of Products - (a)		
Domestic Sales - (b)	28,539	31,643
Export Sales	11,013	13,193
	39,552	**44,836**
Trade Sales	156	216
Sale of Services - (c)	122	155
	39,830	**45,207**
Other Operating Revenues - (a) and (d)	412	542
	40,242	**45,749**
Reconciliation of revenue recognised with contract price:		
Contract Price	**39,554**	**45,915**
Adjustments for:		
Refund Liabilities and discounts	(635)	(537)
Hedging Gain/ (Loss)	896	(128)
Others - Provisionally priced contracts	15	(43)
Revenue from Contracts with Customers	**39,830**	**45,207**

(a) Sales of Copper products and precious metals are accounted for provisionally pending finalization of price and quantity. Variations are accounted for in the period of settlement. Final price receivable on sale of above products for which provisional price was not finalized are realigned at year end forward LME/LMBA rate and is being presented as part of other operating revenue. Revenue from subsequent variation in price movement as at 31/03/2020 is loss of ₹ 1 Crore (as at 31/03/2019, gain of ₹ 43 Crore), including subsequent variation in price movement from trading sales of ₹ Nil Crore (as at 31/03/2019, gain of ₹ 20 Crore).

(b) Includes sale of Di-ammonium phosphate (DAP) including nutrient-based subsidy of Phosphorus (P) and Potassium (K) ₹ 234 Crore (year ended 31/03/2019 ₹ 311 Crore).

(c) Sale of services represents freight and insurance on exports which are identified as separate performance obligation under Ind AS 115.

(d) Includes Government Grant in the nature of sales related export incentives and other benefits of ₹ 318 Crore (year ended 31/03/2019 ₹ 381 Crore).

(e) The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
India	28,793	31,877
Outside India		
China	106	1,646
Korea	3,284	2,451
USA	1,575	1,124
Others	6,484	8,651
Total	**40,242**	**45,749**

(f) The Company recognises revenue at a point in time.

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27. Other Income

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Interest Income (refer Note 47(A)(c))		
On Non-Current Investments	1	1
On Current Investments	36	66
On Others - (a)	139	344
Dividend Income (refer Note 47(A)(c))		
On Non-Current Investments - (b)	56	105
On Current Investments	-	*
Rent Income	12	13
Gain/ (Loss) on Property, Plant and Equipment and Intangible Assets sold/ discarded (Net)	(16)	(26)
Liabilities no longer required written back	83	40
Gain/ (Loss) on Financial Investments Measured at FVTPL (Net)		
On Sale of Financial Assets	96	490
On change of Fair Value of Financial Assets	249	(208)
Other Non-Operating Income (Net) - (c) and (d)	83	115
	739	**940**

* *Amount below rounding off convention.*

(a) Interest Income on others includes ₹ 46 Crore (year ended 31/03/2019 ₹ 257 Crore) of interest received from Income Tax Department.

(b) Dividend Income on long-term investments includes ₹ 29 Crore (year ended 31/03/2019 ₹ 75 Crore) dividend received from subsidiary companies.

(c) Includes gain on modification of borrowings of ₹ 19 Crore (year ended 31/03/2019 ₹ 50 Crore) resulting from change in amount and timing of expected cash flow on term loans.

(d) Previous year number includes gain on withdrawal of Financial Guarantee given to Subsidiary of ₹ 62 Crore.

28. Cost of Materials Consumed

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Copper Concentrate - (a)	14,243	17,692
Alumina	3,214	4,264
Bauxite	573	453
Caustic Soda	508	739
Calcined Petroleum Coke	1,469	1,758
Rock Phosphate	267	324
Others	2,349	2,017
	22,623	**27,247**

(a) Purchase of copper concentrate is accounted for provisionally pending finalization of contents in the concentrate and price. Variations are accounted for in the period of settlement. Final price payable on purchase of copper concentrate for which provisional price and quantity were not finalized during the year are realigned based on forward LME and LBMA rate. Impact on cost from subsequent variation in price movement for year ended 31/03/2020 was gain of ₹ 217 Crore (year ended 31/03/2019 loss of ₹ 158 Crore).

(b) Refer Note 36, for details of freight expenses.

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29. Trade Purchases

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Materials Purchase - (a)	256	235
	256	**235**

(a) Includes gain on realignment of ₹ 6 Crore for year ended 31/03/2020 (year ended 31/03/2019 loss ₹ 20 Crore) based on forward LBMA/LME rates for provisionally priced trade purchases.

30. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Opening Inventories		
Work-in-Progress	5,340	5,185
Finished Goods	719	492
Stock-in-Trade	-	-
	6,059	**5,677**
Less: Closing Inventories		
Work-in-Progress	4,595	5,340
Finished Goods	1,337	719
Stock-in-Trade	127	-
	6,059	**6,059**
Net Change	*	**(382)**

* *Amount below rounding off convention.*

Details of inventories under broad heads are given below:

₹ in Crore

	Work-in-Progress		Finished Goods		Stock-in-Trade		Total	
	As at		As at		As at		As at	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Alumina	342	357	76	45	-	-	418	402
Aluminium and Aluminium Products	883	888	551	477	10	-	1,444	1,365
Copper and Copper Products	1,764	2,244	636	160	6	-	2,406	2,404
Precious Metals	824	856	64	9	-	-	888	865
Others	782	995	10	28	111	-	903	1,023
	4,595	**5,340**	**1,337**	**719**	**127**	**-**	**6,059**	**6,059**

(a) Others include mainly inventories of own mined coal, anode, soda in process and other materials.

(b) Changes in inventory with respect to Work in progress is ₹ (745) Crore (year ended 31/03/2019 ₹ 155 Crore), Finished Goods is ₹ 618 Crore (year ended 31/03/2019 ₹ 227 Crore) and Stock-in-Trade ₹ 127 Crore (year ended 31/03/2019 ₹ Nil).

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31. Employee Benefits Expenses

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Salaries and Wages	1,526	1,614
Post-Employment Benefits:		
Contribution to Provident Fund and Other Defined Contribution Funds (refer Note 43)	110	116
Gratuity and Other Defined Benefit Plans (refer Note 43)	109	68
Employee Share-Based Payments (refer Note 42)		
Equity-settled share-based payment	27	10
Cash-settled share-based payment	*	10
Employee Welfare Expenses	166	170
	1,938	**1,988**
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development	16	6
	1,922	**1,982**

* *Amount below rounding off convention.*

Impact of Hon'ble Supreme Court judgment on computation of provident fund contribution.

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution.

The Company has given effect of the above judgement effective March 1, 2019. This does not have any material impact on the Financial Statements.

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32. Power and Fuel

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Power and Fuel Expenses - (a)	6,994	6,937
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under development	*	*
	6,994	**6,937**

* *Amount below rounding off convention.*

(a) Refer Note 36, for details of freight expenses.

33. Finance Costs

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Interest Expenses on Financial Liabilities not at FVTPL - (a) and (d)	1,619	1,643
(Gain)/ Loss on Foreign Currency Transactions and Translation (Net)	18	17
Interest Expenses for Leasing Arrangements - (e)	25	-
Other Borrowing Costs - (b)	18	23
	1,680	**1,683**
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development- (c)	1	-
	1,679	**1,683**

(a) Interest expenses include ₹ * Crore (year ended 31/03/2019 ₹ 1 Crore) paid to Income Tax Department.

(b) Mainly includes unwinding of discount on Enterprise Social Commitment and Asset Retirement Obligation and Finance Lease Obligations.

(c) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to general borrowings.

(d) Includes difference between effective interest rate and contracted interest rate of ₹ 41 Crore (year ended 31/03/2019 ₹ 39 Crore) mainly from amortisation of debt issuance cost and modification of in borrowings.

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(e) Subsequent to introduction of Ind AS 116 Leases, the Company has recognized Long-term leases as ROU Assets and created Lease Obligation representing Present Value of future minimum lease payment. The unwinding of such obligation is recognized as Interest Expenses. Following transitional provision under Ind AS 116 Leases, previous year numbers have not been reclassified.

* *Amount below rounding off convention.*

34. Depreciation and Amortisation

₹ in Crore

	Year ended	
	31/03/2020	31/03/2019
Depreciation on Property, Plant and Equipment	1,583	1,582
Depreciation on Right of Use Assets	72	-
Depreciation on Investment Properties	*	*
Amortisation of Intangible Assets	58	111
	1,713	**1,693**
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development	5	-
	1,708	**1,693**

* *Amount below rounding off convention.*

35. Impairment Loss on Financial Assets (Net)

₹ in Crore

	Year ended	
	31/03/2020	31/03/2019
Provision for Doubtful Debts, Loans and Advances / (written back) (Net)	37	21
Bad Debts Loans and Advances / (written back) (Net)	1	3
	38	**24**

36. Other Expenses

₹ in Crore

	Year ended	
	31/03/2020	31/03/2019
Consumption of Stores and Spares	975	940
Repairs to Buildings	100	102
Repairs to Machinery	614	622
Rates and Taxes	21	12
Equipment and Material Handling Expenses	297	433
Rental Charges [refer note 51]	-	91
Leases Expenses - (c)	84	-
Insurance Charges	79	76
Payment to Auditors - (a)	4	3
Research and Development	29	27
Freight and Forwarding Expenses (Net) - (b) and (d)	773	872
Donation - (e)	45	17
Directors' Fees and Commission	3	5
(Gain)/Loss on Foreign Currency Transactions (Net)	81	40
(Gain)/Loss in Change in Fair Value of Derivatives (Net)	(55)	124
Premium on Coal Extraction	250	747
Miscellaneous Expenses - (f)	1,459	1,360
	4,759	**5,471**
Less: Transferred to Capital Work-in-Progress/ Intangible Assets under Development	14	11
	4,745	**5,460**

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(a) Details of Payment to Auditors are given below:

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Statutory Auditors:		
Statutory Audit Fees	2	2
Other Services	2	1
Reimbursement of Out-of-Pocket Expenses	*	*
Cost Auditors:		
Cost Audit Fee and Expenses	*	*
	4	**3**

(b) Freight and forwarding expenses is net of freight subsidy of ₹ 25 Crore (year ended 31/03/2019 ₹ 31 Crore) on sale of DAP.

(c) Lease payments not recognised as a ROU liability.

₹ in Crore

Particulars	Year ended 31/03/2020
Short-term Leases	79
Variable Lease Payments	4
Leases of Low Value Assets	1
Total	**84**

(d) Freight expenses amounting to ₹ 156 Crore (year ended 31/03/2019 of ₹ 204 Crore) is included in Cost material consumed and ₹ 79 Crore (year ended 31/03/2019 of ₹ 175 Crore) is included in Power and Fuel. (refer Notes 28 and 32).

(e) Donation includes ₹ 29 Crore (year ended 31/03/2019 of ₹ 13 Crore) paid towards political donation, out of which ₹ 10 Crore (year ended 31/03/2019 of ₹ 13 Crore) paid to AB General Electoral Trust (erstwhile General Electoral Trust) and ₹ 19 Crore through Electoral Bond.

(f) Miscellaneous expenses include ₹ * Crore (year ended 31/03/2019 ₹ * Crore) paid to a firm of solicitors in which one of the Directors of the Company is a partner.

* *Amount below rounding off convention.*

37. Exceptional Income/ (Expenses) (Net)

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Exceptional Income	25	-
Exceptional (Expenses)	(89)	-
	(64)	**-**

Details of Exceptional Income /(Expenses) as follows:

₹ in Crore

Nature	Brief Details	Year ended 31/03/2020	Year ended 31/03/2019
Slump Sale	Profit on sale of aluminium foil manufacturing unit situated at Kollur, Andhra Pradesh on a slump sale basis	25	-
Restoration Expenses	Expenses incurred towards restoration of Red Mud Pond and other related expenses at alumina refinery at Muri, Jharkhand	(89)	-

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38. Other Comprehensive Income - Items that will not be reclassified to profit and loss

₹ in Crore

	Year ended	
	31/03/2020	**31/03/2019**
Remeasurement of Defined Benefit Obligation	(152)	(4)
Change in Fair Value of Investments in Associates as FVTOCI - (a)	4	8
Change in Fair Value of Equity Instruments as FVTOCI - (b)	(2,586)	(1,744)
Income Tax Effect on above	28	2
	(2,706)	**(1,738)**

(a) Refer Note 6

(b) Refer Note 7A

39. Other Comprehensive Income - Items that will be reclassified to profit and loss

₹ in Crore

	Year ended	
	31/03/2020	**31/03/2019**
Change in Fair Value of Debt Instruments designated as FVTOCI - (a)	5	3
Effective Portion of Cash flow Hedges	(484)	307
Cost of Hedging	(589)	(223)
Income Tax Effect on above	374	(30)
	(694)	**57**

(a) Refer Notes 7A and 7B

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Income Tax Expense Recognised in OCI

₹ in Crore

	Year ended	
	31/03/2020	**31/03/2019**
Items that will not be reclassified to profit and loss		
Remeasurement of Defined Benefit Obligations	28	1
Change in Fair Value of Equity Instruments Designated as FVTOCI	-	1
	28	**2**
Items that will be reclassified to profit and loss		
Change in Fair Value of Debt Instruments Designated as FVTOCI	(2)	(1)
Effective Portion of Cash Flow Hedges	170	(107)
Cost of Hedging	206	78
	374	**(30)**

40. Earnings Per Share (EPS)

₹ in Crore

	Year ended	
	31/03/2020	**31/03/2019**
Profit/ (Loss) attributable to Equity Shareholders	620	1,205
Weighted average numbers of Equity Shares for calculation of EPS:	2,223,957,744	2,227,573,655
Weighted-average numbers of Equity Shares for Basic EPS	991,162	1,126,728
Dilutive impact of Employee Stock Option Scheme	2,224,948,906	2,228,700,383
Weighted-average numbers of Equity Shares for Diluted EPS		
Face Value per Equity Share (₹)	1.00	1.00
Earnings per Share		
Basic (₹)	2.79	5.41
Diluted (₹)	2.79	5.41

Treasury shares are excluded from weighted-average numbers of Equity Shares used as a denominator in the calculation of EPS.

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Stock options granted to the employees under various ESOP schemes are considered to be potential Equity Shares. They have been included in the determination of diluted earnings per share to the extent they are dilutive. The stock options have not been included in the determination of basic earnings per share. For details relating to stock options, refer Note 42.

41. Segment Reporting

The Company has presented segment information in its Consolidated Financial Statements, which are part of the same annual report. Accordingly, in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108), no disclosure related to the segment is presented in the Standalone Financial Statements.

42. Employee Share-based Payments

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. At present, following employee share-based payment schemes are in operation, details of which are given below:

(I) Employee Stock Option Scheme 2006 ("ESOS 2006"):

The shareholders of the Company have approved on 23/01/2007 an Employee Stock Option Scheme 2006 ("ESOS 2006"), under which the Company may grant up to 3,475,000 stock options to its permanent employees in the management cadre, whether working in India or out of India, including Managing and the Whole-time Directors of the Company, in one or more tranches. The ESOS 2006 is administrated by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). Each stock option, when exercised, would be converted into one fully paid-up Equity Share of ₹ 1/- each of the Company. The stock options will vest in 4 equal annual instalments after completion of one year of service from the date of grant. The exercise price shall be average price of the Equity Shares of the Company in the immediate preceding seven day period on the date prior to the date on which the ESOS compensation committee finalises the specific numbers of Options to be granted to the employees discounted by such percentage not exceeding 30% (thirty percent) to be determined by ESOS Compensation Committee in the best interest of the various stake holders in the prevailing market conditions. The maximum period of exercise is 5 years from the date of vesting and these stock options do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options are also available for grant. Further, on 23/09/2011 the ESOS 2006 has been partially modified and by which the Company may grant 6,475,000 stock options to its eligible employees.

Under the ESOS 2006, till 31/03/2020 the Committee has granted 4,328,159 stock options (31/03/2019: 4,328,159 stock options) to its eligible employees out of which 1,819,941 stock options (31/03/2019: 1,819,941 stock options) has been forfeited/ expired and are available for grant as per term of the Scheme.

A summary of movement of the stock options and weighted average exercise price (WAEP) is given below:

₹ in Crore

	As at			
	31/03/2020		31/03/2019	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	816,371	118.71	868,701	118.69
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(359,415)	118.69	(52,330)	118.35
Expired during the year	-	-	-	-
Outstanding at year end	456,956	118.73	816,371	118.71
Vested and Exercisable at year end	456,956	118.73	816,371	118.71

Under ESOS 2006, as at 31/03/2020 the range of exercise prices for stock options outstanding was ₹ 118.73 (31/03/2019: ₹ 118.35 to ₹ 118.73) whereas the weighted average remaining contractual life of the stock options outstanding was 1.81 years (31/03/2019: 1.96 years).

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(II) Employee Stock Option Scheme 2013 ("ESOS 2013"):

The shareholders of the Company have approved on 10/09/2013 an Employee Stock Option Scheme 2013 ("ESOS 2013"), under which the Company may grant up to 5,462,000 Options (comprising of Stock Options and/ or Restricted Stock Units (RSUs)) to the permanent employees in the management cadre and Managing and Whole-time Directors of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2013 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The stock options exercise price would be determined by the Committee, whereas the RSUs exercise price shall be the face value of the Equity Shares of the Company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up Equity Share of ₹ 1/- each of the Company upon payment of exercise price during exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/ RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/ expired stock options and RSUs are also available for grant.

In terms of ESOS 2013, till 31/03/2020 the Committee has granted 2,250,754 stock options and 2,252,254 RSUs (31/03/2019: 2,250,754 stock options and 2,252,254 RSUs) to the eligible employees of the Company and some of its subsidiary companies. Further, 216,409 stock options and 193,287 RSUs (31/03/2019: 231,224 stock options and 248,954 RSUs) have been forfeited/ expired and are available for grant as per term of the Scheme.

A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

₹ in Crore

	As at							
	31/03/2020				31/03/2019			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	601,270	121.89	312,937	1.00	968,665	119.45	460,555	1.00
Granted during the year	-	-	-	-	-	-	-	-
Re-instated during the year	41,722	119.45	55,667	1.00	-	-	-	-
Forfeited during the year	(17,541)	119.45	-	-	-	-	-	-
Exercised during the year	(200,141)	115.37	(132,886)	1.00	(367,395)	115.45	(147,618)	1.00
Expired during the year	(9,366)	119.45	-	-	-	-	-	-
Outstanding at year end	415,944	124.82	235,718	1.00	601,270	121.89	312,937	1.00
Vested and Exercisable at year end	396,712	122.82	235,718	1.00	515,759	119.43	235,955	1.00

Under ESOS 2013, the range of exercise prices for stock options outstanding as at 31/03/2020 was ₹ 73.60 to ₹ 167.15 (31/03/2019: ₹ 73.60 to ₹ 167.15) whereas exercise price in case of RSUs was ₹ 1.00 (31/03/2019: ₹ 1.00). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2020 was 2.30 years and 2.57 years, respectively (31/03/2019: 2.78 years and 3.69 years, respectively).

(III) Employee Stock Option Scheme 2018 ("ESOS 2018"):

The shareholders of the Company have approved on 21/09/2018 an Employee Stock Option Scheme 2018 ("ESOS 2018"), formulated by the Company, under which the Company may grant not more than 13,957,302 [Stock Options and Restricted Stock Units ('RSUs')] to its permanent employees of the Company in management cadre including Managing and the Whole-time Director of the Company and its subsidiary companies in India and abroad, in one or more tranches. The ESOS 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee") and the Hindalco Employees Welfare Trust ("Trust"). The stock options exercise price would be determined by the Committee whereas the RSU exercise price shall be the face value of the Equity Shares of the company as at the date of grant of RSUs. Each stock option and each RSU entitles the holders to apply for and be allotted one fully paid-up Equity Share of ₹ 1/- each of the Company upon payment of exercise price during the exercise period. The stock options will vest in 4 equal annual instalments after completion of one year of the services from the date of grant, whereas RSU will vest upon completion of three years of services from the date of grant. The maximum period of exercise is 5 years from the date of vesting and these stock options/RSUs do not carry rights to dividends or voting rights till the date of exercise. Further, forfeited/expired stock options and RSUs are also available for grant.

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In terms of ESOS 2018, till 31/03/2020 the Committee has granted 4,607,279 stock options and 1,348,492 RSUs (31/03/2019: 4,299,563 stock options and 1,276,137 RSUs) to the eligible employees of the Company and some of its subsidiary companies. A summary of movement of stock options and RSUs and weighted average exercise price (WAEP) is given below:

₹ in Crore

	As at							
	31/03/2020				31/03/2019			
	Stock Options		RSUs		Stock Options		RSUs	
	Number	WAEP	Number	WAEP	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	4,299,563	218.75	1,276,137	1.00	-	-	-	-
Granted during the year	307,716	207.21	72,355	1.00	4,299,563	218.75	1,276,137	1.00
Forfeited during the year	(158,785)	218.80	(50,986)	1.00	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at year end	4,448,494	217.95	1,297,506	1.00	4,299,563	218.75	1,276,137	1.00
Vested and Exercisable at year end	1,063,724	218.74	-	-	-	-	-	-

Under ESOS 2018, the range of exercise prices for stock options outstanding as at 31/03/2020 was ₹ 159.30 to ₹ 218.80 (31/03/2019 was ₹ 205.45 to ₹ 218.80) whereas exercise price in case of RSUs was ₹ 1 (31/03/2019: ₹ 1.00). The weighted average remaining contractual life for the stock options and RSUs outstanding as at 31/03/2020 was 6.26 years and 6.81 years, respectively (31/03/2019 was 7.20 years and 7.76 years, respectively).

The fair values at grant date of stock options granted during the year ended 31/03/2020 was ₹ 53.05 to ₹ 97.09 (31/03/2019 was ₹ 83.28 to ₹ 115.23) and fair values in case of RSUs was ₹ 150.68 to ₹ 205.48 (31/03/2019 was ₹ 198.57 to ₹ 208.86), respectively. The fair valuation has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest for terms of options.

The details of options granted, the key assumptions for Fair Value on the date of grant are as under :

	FY 2019-20			
	Tranche III		Tranche IV	
	Stock Options	RSUs	Stock Options	RSUs
Grant date	27/12/2019	27/12/2019	4/3/2020	4/3/2020
Exercise price (₹)	215.00	1.00	159.30	1.00
Expected terms of options granted (years)	4.43 years - 7.43 years	8 years	4.43 years - 7.43 years	8 years
Share price on grant date (₹)	215.45	215.45	160.60	160.60
Expected volatility (%)	27.95%	27.95%	30.73%	30.73%
Expected dividend (%)	0.56%	0.56%	0.75%	0.75%
Risk-free interest rate (%)	6.44% - 6.84%	6.84%	5.62% - 6.39%	6.43%

	FY 2018-19			
	Tranche I		Tranche II	
	Stock Options	RSUs	Stock Options	RSUs
Grant date	10/12/2018	10/12/2018	26/03/2019	26/03/2019
Exercise price (₹)	218.80	1.00	205.45	1.00
Expected terms of options granted (years)	4.43 years - 7.43 years	8 years	4.43 years - 7.43 years	8 years
Share price on grant date (₹)	218.80	218.80	208.50	208.50
Expected volatility (%)	37.48%	37.48%	36.99%	36.99%
Expected dividend (%)	0.55%	0.55%	0.58%	0.58%
Risk-free interest rate (%)	7.36 % - 7.51%	7.57%	6.91% - 7.38%	7.50%

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted which is indicative of future periods and which may not necessarily be the actual outcome.

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(IV) Stock Appreciation Rights ('SAR 2013'):

The Company had granted 956,522 Share Appreciation Rights ("SAR 2013 ") to its eligible employee to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant (i.e. 09/10/2013). The SAR 2013 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The SAR 2013 have performance linked vesting conditions which are decided by the committee and are cash settled. The options shall lapse in case of performance-linked vesting conditions are not met. The Exercise Price of the SAR is ₹ 118.73. The SAR can be exercised within 3 years from the date of vesting or within 6 years from the date of grant, whichever is earlier.

A summary of movement of SAR and weighted average exercise price (WAEP) is given below:

₹ in Crore

	As at			
	31/03/2020		31/03/2019	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	478,261	118.73	956,522	118.73
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(478,261)	118.73	(478,261)	118.73
Expired during the year	-	-	-	-
Outstanding at year end	**-**	**-**	**478,261**	**118.73**
Vested and Exercisable at year end	**-**	**-**	**478,261**	**118.73**

The fair values per SAR as at 31/03/2019 was ₹ 90.15. The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest for terms of Option. The assumptions used for fair valuation are given below:

	Year ended
	31.03.2019
Grant date	9/10/2013
Valuation Date	31/3/2019
Exercise price (₹)	118.73
Expected volatility (%)	36.88%
Expected dividend (%)	0.58%
Risk-Free interest rate (%)	6.17%

The weighted average remaining contractual life for the SAR as at 31/03/2019 is 0.53 years.

(V) Stock Appreciation Rights ('SAR 2018'):

The Company has granted 44,668 Option SAR and 11,333 RSU SAR under the Share Appreciation Rights Scheme 2018 ("SAR 2018") to its eligible employees. Option SAR to be vested in 4 equal annual instalments after completion of one year of the service from the date of grant and RSU SAR will vest upon completion of three years of services from the date of grant. The SAR 2018 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company ("the Committee"). The SAR 2018 have performance-linked vesting conditions which are decided by the Committee and are cash settled. The options shall lapse in case of performance-linked vesting conditions are not met. The Exercise Price of the Option SAR is ₹ 218.80 and RSU SAR is ₹ 1.

A summary of movement of SAR and weighted average exercise price (WAEP) is given below:

₹ in Crore

	As at 31/03/2020			
	Option SAR		RSU SAR	
	Number	WAEP	Number	WAEP
Outstanding at beginning of the year	-	-	-	-
Granted during the year	44,668	218.80	11,333	1.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at year end	44,668	218.80	11,333	1.00
Vested and Exercisable at year end	11,167	218.80	-	-

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The fair values per Option SAR as at 31/03/2020 was ₹ 6. 62 to ₹ 19.87 and for RSU SAR as at 31/03/2020 was ₹ 89.14 to ₹ 89.46 . The fair value has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk-free rate of interest. The assumptions used for fair valuation for Option SAR and RSU SAR are given below:

	Year ended		
	31/03/2020		
Grant date	09/08/2019	09/08/2019	04/03/2020
Valuation Date	31/03/2020	31/03/2020	31/03/2020
Exercise price (₹)	218.80	1.00	1.00
Expected volatility (%)	41.65%	41.65%	41.65%
Expected dividend (%)	1.25%	1.25%	1.25%
Risk-Free interest rate (%)	5.29% - 6.09%	6.09%	6.31%

The weighted average remaining contractual life for the Option SAR as at 31/03/2020 is 2.70 to 5.70 years and RSU SAR as at 31/03/2020 is 4.70 to 4.99 years.

The total intrinsic value at the end of the year of the vested Option SAR and RSU SAR is ₹ Nil (31/03/2019 ₹ 4 Crore).

Effect of Employee Share-Based Payment Transactions on Profit or Loss for the period and on financial position:

For the year ended 31/03/2020, the Company recognised total expenses of ₹ 28 Crore (31/03/2019 ₹ 20 Crore) related to equity-settled and cash-settled share based transactions. During the year ended 31/03/2020, the Company has allotted 692,442 fully paid-up Equity Share of ₹ 1/- each of the Company (31/03/2019 567,343) on exercise of equity settled options for which the Company has realised ₹ 6 Crore (31/03/2019 ₹ 5 Crore) as exercise prices. The weighted average share price at the date of exercise of ESOS 2006 was ₹ 179.07 per share (31/03/2019 ₹ 234.44 per share) and ESOS 2013 was ₹ 189.67 per share (31/03/2019 ₹ 221.40 per share).

The Company has received ₹ 1 Crore (31/03/2019 ₹ * Crore) from Utkal Alumina International Limited and Hindalco - Almex Aerospace Limited (Subsidiaries) towards the grant of 88,676 Stock Options and 43,261 RSUs under ESOS 2018 which is netted off from Employee Share-Based Payments Expenses.

* *Amount below rounding off convention.*

43. Employee Benefits Obligations

A. Defined Benefit Plans:

Defined benefit plans expose the Company to actuarial risks such as: Interest Rate Risk, Salary Risk and Demographic Risk.

i. Interest Rate Risk: While calculating the defined benefit obligation a discount rate based on government bonds yields of matching tenure is used to arrive at the present value of future obligations. If the bond yield falls, the defined benefit obligation will tend to increase and plan assets will decrease.

ii. Salary Ris k: Higher than expected increases in salary will increase the defined benefit obligation.

iii. Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(I) Gratuity Plans

The Company has various schemes (funded/unfunded) for payment of gratuity to all eligible employees calculated at specified number of days (ranging from 15 days to 1 month) of last drawn salary depending upon the tenure of service for each year of completed service subject to minimum service of five years payable at the time of separation upon superannuation or on exit otherwise. These defined benefit gratuity plans are governed by Payment of Gratuity Act, 1972.

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₹ in Crore

		Year ended 31/03/2020	Year ended 31/03/2019
(a)	**Change in Defined Benefit Obligations (DBO)**		
	DBO at the beginning of the year	962	895
	Current service cost	52	57
	Interest Cost on the DBO	71	65
	Actuarial (gain)/ loss experience	28	(6)
	Actuarial (gain)/ loss financial assumption	44	-
	Benefits paid directly by Company	(34)	(21)
	Benefits paid from plan assets	(29)	(28)
	DBO at the end of the year	**1,094**	**962**

₹ in Crore

		Year ended 31/03/2020	Year ended 31/03/2019
(b)	**Change in Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	785	724
	Interest Income on plan assets	61	55
	Employer's contributions	66	43
	Return on plan assets greater/(lesser) than discount rate	1	(9)
	Benefits Paid	(29)	(28)
	Fair Value of Plan Assets at the end of the year	**884**	**785**

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₹ in Crore

		Year ended 31/03/2020	Year ended 31/03/2019
(c)	**Development of Net Balance Sheet Position**		
	DBO, funded	(1,003)	(880)
	Fair Value of Plan Assets	884	785
	Funded Status{surplus/(deficit)}	(119)	(95)
	DBO, unfunded	(91)	(82)
	Net defined benefit asset/(liability) recognised in the Balance Sheet	**(210)**	**(177)**

₹ in Crore

		Year ended 31/03/2020	Year ended 31/03/2019
(d)	**Reconciliation of Net Balance Sheet Position**		
	Net Defined benefit asset/(Liability)at beginning of the year	(177)	(171)
	Service cost	(52)	(57)
	Net Interest on net defined benefit liability/(asset)	(10)	(11)
	Amount recognised in OCI	(71)	(3)
	Employer's contributions	66	43
	Benefit paid directly by Company	34	22
	Net Defined benefit asset/(Liability)at the end of the year	**(210)**	**(177)**

₹ in Crore

		Year ended 31/03/2020	Year ended 31/03/2019
(e)	**Expense recognised during the year**		
	Current Service cost	52	57
	Net Interest on net defined benefit liability/(asset)	10	11
	Net Gratuity Cost	**62**	**68**

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₹ in Crore

		Year ended	
		31/03/2020	31/03/2019
(f)	**Other Comprehensive Income (OCI)**		
	Actuarial (Gain)/ Loss due to DBO experience	28	(6)
	Actuarial (Gain)/ Loss due to DBO assumption changes	44	-
	Actuarial (Gain)/ Loss arising during the period	72	(6)
	Return on Plan Assets (greater)/lesser than discount rate	(1)	9
	Actuarial (Gain)/ Loss recognised in OCI	**71**	**3**

₹ in Crore

		Year ended	
		31/03/2020	31/03/2019
(g)	**Defined Benefit Costs**		
	Service Cost	52	57
	Net Interest on net defined benefit liability/(asset)	10	11
	Actuarial (gain)/loss recognised in OCI	71	3
	Defined Benefit Cost	**133**	**71**

		Year ended	
		31/03/2020	31/03/2019
(h)	**Principal Actuarial Assumptions**		
	Discount rate (based on the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities)	6.5%	7.5%
	Salary escalation rate	7.5%	8.0%
	Weighted average duration of the defined benefit obligation	9 years	9 years
	Mortality Rate	Indian Assured Lives Mortality 2006-08 Ultimate	

₹ in Crore

		Year ended	
		31/03/2020	31/03/2019
(i)	Non-Current and Current portion of Defined Benefit Obligations (Refer Note 21)		
	Current portion	(3)	(5)
	Non-current portion	(207)	(172)
		(210)	**(177)**

(j) Sensitivity analyses

Sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

₹ in Crore

	Year ended	
	31/03/2020	31/03/2019
Discount Rate		
Effect on DBO due to 1% increase in discount rate	(84)	(73)
Effect on DBO due to 1% decrease in discount rate	97	90
Salary Escalation Rate		
Effect on DBO due to 1% increase in salary escalation rate	95	82
Effect on DBO due to 1% decrease in salary escalation rate	(84)	(73)

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(k) Methodology for Defined Benefit Obligations:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method, a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

₹ in Crore

		Year ended	
		31/03/2020	**31/03/2019**
(l)	**The Expected Maturity Analysis of Undiscounted Gratuity is as follows:**		
	Within 1 year	61	56
	From 1 year to 2 years	86	56
	From 2 years to 3 years	91	75
	From 3 years to 4 years	100	76
	From 4 years to 5 years	98	75
	From 5 years to 10 years	580	390

		Year ended	
		31/03/2020	**31/03/2019**
(m)	**Composition of Plan Assets**		
	Major categories of Plan Assets are as under:		
	Cash and Bank Balances	1.83%	2.01%
	Scheme of insurance - Conventional product	0.22%	0.23%
	Scheme of insurance - ULIP product	97.95%	97.76%
		100.00%	**100.00%**

Above Investments in Plan Assets are unquoted.

(n) Expected Contributions to post-employment benefit plan of Gratuity for the year ending March 31, 2021 are ₹ 65 Crore.

II Other Defined Benefit and contribution Plans

(a) Pension

The Company contributes a certain percentage of salary for all eligible employees in the managerial cadre towards Superannuation Funds with option to put certain portion in National Pension Scheme (NPS) and/or in funds managed by Birla Sunlife Insurance Company to be converted to annuity of Life Insurance Corporation of India at retirement. Junior Pension Plan provided to certain employees is in the nature of defined benefit plan which provides an annuity in the form of pension amount at retirement. The amount charged to the statement of profit and loss during the year is ₹ 60 Crore (year ended 31/03/2019 ₹ 22 Crore). Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ 6 Crore (year ended 31/03/2019 ₹ * Crore).

(b) Post-Retirement Medical Benefits

The Company provides post retirement medical benefit to its certain retired employees. The scheme involves reimbursement of expenses towards medical treatment of self and dependents. The amount charged to the statement of profit and loss during the year is ₹ * Crore (year ended 31/03/2019 ₹ * Crore) and amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ 4 Crore (year ended 31/03/2019 ₹ 1 Crore).

(c) Leave Obligations

The leave obligation cover the Company's liability for earned and sick leave. The entire amount of the provision of ₹ 254 Crore (year ended 31/03/2019 ₹ 223 Crore) is presented as current, since the company does not have an unconditional right to defer settlement for these obligations. Expected amount towards settlement of Leave for the next 12 months are ₹ 37 Crore (year ended 31/03/2019 ₹ 34 Crore).

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(d) Provident Fund

The Company contribution towards Provident Fund managed either by approved trusts or by the Central Government is debited to the statement of profit and loss. In respect of provident fund management by the approved trust, the Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. The Company also contributes to Coal Mines Provident Fund (CMPF) in respect of employees working in coal mines. The amount debited to the statement of profit and loss during the year was ₹ 97 Crore (year ended 31/03/2019 ₹ 94 Crore). Based on actuarial valuation, the Company has recognised obligation of ₹ 8 Crore as at 31/03/2020 (year ended 31/03/2019 ₹ 8 Crore) towards shortfall on the yield of the trust's investments over the administered interest rates. Amount of actuarial (gain)/ loss recognised in Other Comprehensive Income during the year is ₹ (2) Crore (year ended 31/03/2019 ₹ * Crore).

(e) Certain investments made by the Company's Provident Fund Trust ('AAA' rated when the investment was done) became impaired during the year. The Trust has recorded the loss in its books for the year ended March 31, 2020. The Company is obligated to make good such losses to the trust and as such has compensated the trust by ₹ 73 Crore. The amount has been accounted for in Other Comprehensive Income.

₹ in Crore

	Year ended 31/03/2020	Year ended 31/03/2019
Sensitivity Analysis :-		
Provident Fund		
Discount Rate		
Effect on DBO due to 1% increase in discount rate	(3)	(2)
Effect on DBO due to 1% decrease in discount rate	4	2
Pension		
Discount Rate		
Effect on DBO due to 1% increase in discount rate	*	*
Effect on DBO due to 1% decrease in discount rate	*	*

* Amount below rounding off convention

Assumption use in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	Year ended 31/03/2020	Year ended 31/03/2019
Discount rate	6.50%	7.50%
Expected EPFO (Employees' Provident Fund Organisation) Return	8.50%	8.65%

44. Related Party Transactions

The following transactions were carried out with the Related Parties in the ordinary course of business:

(I) Subsidiaries, Associates, Joint Ventures and Others

₹ in Crore

		31/03/2020				31/03/2019			
		Subsidiaries	Associates	Joint Ventures	Others **	Subsidiaries	Associates	Joint Ventures	Others **
1	**Sales and Conversion**	**55**	**-**	**-**	**-**	**35**	**-**	**-**	**-**
	(a) Hindalco - Almex Aerospace Limited	51	-	-	-	34	-	-	-
	(b) Novelis Inc. and its Subsidiaries	3	-	-	-	1	-	-	-
	(c) Utkal Alumina International Limited	1	-	-	-	-	-	-	-

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₹ in Crore

		31/03/2020				31/03/2019			
		Subsidiaries	Associates	Joint Ventures	Others **	Subsidiaries	Associates	Joint Ventures	Others **
2	**Services rendered**	**-**	**-**	**-**	**6**	**-**	**-**	**-**	**-**
	(a) Hydromine Global Minerals GmbH Limited (Consolidated)	-	-	*	-	-	-	*	-
	(b) Dahej Harbour & Infrastructure Limited	*	-	-	-	*	-	-	-
	(c) Utkal Alumina International Limited	*	-	-	-	*	-	-	-
	(d) Aditya Birla Management Corporation Private Limited (ABMCPL)	-	-	-	6	-	-	-	-
3	**Interest and Dividend received during the year**								
	Interest received	**1**	**3**	**-**	**-**	**-**	**4**	**-**	**-**
	(a) Aditya Birla Science & Technology Company Private Limited	-	3	-	-	-	4	-	-
	(b) Dahej Harbour & Infrastructure Limited	*	-	-	-	-	-	-	-
	(c) Hindalco - Almex Aerospace Limited	*	-	-	-	*	-	-	-
	(d) Renuka Investments & Finance Limited	*	-	-	-	-	-	-	-
	(e) Renukeshwar Investments & Finance Limited	*	-	-	-	-	-	-	-
	(f) Suvas Holdings Limited	1	-	-	-	*	-	-	-
	Dividend received	**30**	**-**	**-**	**-**	**76**	**-**	**-**	**-**
	(a) Dahej Harbour & Infrastructure Limited	18	-	-	-	35	-	-	-
	(b) Lucknow Finance Company Limited	2	-	-	-	4	-	-	-
	(c) Renuka Investments & Finance Limited	4	-	-	-	25	-	-	-
	(d) Renukeshwar Investments & Finance Limited	6	-	-	-	12	-	-	-
4	**Interest paid**	**-**	**-**	**-**	**-**	**19**	**-**	**-**	**-**
	(a) Utkal Alumina International Limited	-	-	-	-	19	-	-	-
5	**Purchase of Materials, Capital Equipment and Others**	**2,823**	**14**	**-**	**-**	**4,114**	**5**	**-**	**-**
	(a) Hindalco - Almex Aerospace Limited	1	-	-	-	1	-	-	-
	(b) Minerals & Minerals Limited	42	-	-	-	44	-	-	-
	(c) Novelis Inc. and its Subsidiaries	4	-	-	-	5	-	-	-
	(d) Suvas Holdings Limited	4	-	-	-	-	-	-	-
	(e) Utkal Alumina International Limited	2,772	-	-	-	4,064	-	-	-
	(f) Aditya Birla Renewables Subsidiary Limited	-	14	-	-	-	5	-	-
6	**Services received**	**54**	**16**	**-**	**423**	**41**	**15**	**-**	**400**
	(a) Aditya Birla Science & Technology Company Private Limited	-	16	-	-	-	15	-	-
	(b) Dahej Harbour & Infrastructure Limited	47	-	-	-	40	-	-	-
	(c) Lucknow Finance Company Limited	1	-	-	-	1	-	-	-
	(d) Novelis Inc. and its Subsidiaries	-	-	-	-	*	-	-	-
	(e) Renuka Investments & Finance Limited	*	-	-	-	*	-	-	-
	(f) Utkal Alumina International Limited	6	-	-	-	*	-	-	-
	(g) Aditya Birla Management Corporation Private Limited (ABMCPL)	-	-	-	423	-	-	-	400

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₹ in Crore

		31/03/2020				31/03/2019			
		Subsidiaries	Associates	Joint Ventures	Others **	Subsidiaries	Associates	Joint Ventures	Others **
7	**Investments, Loans and Deposits made during the year**								
	Loans and Deposits made during the Year	**25**	**-**	**-**	**-**	**11**	**-**	**-**	**-**
	(a) AV Minerals (Netherlands) N.V.	-	-	-	-	*	-	-	-
	(b) Dahej Harbour & Infrastructure Limited	15	-	-	-	-	-	-	-
	(c) East Coast Bauxite Mining Company Pvt. Limited	*	-	-	-	*	-	-	-
	(d) Renuka Investments & Finance Limited	5	-	-	-	-	-	-	-
	(e) Renukeshwar Investments & Finance Limited	5	-	-	-	-	-	-	-
	(f) Suvas Holdings Limited	-	-	-	-	11	-	-	-
	Investments Made during the Year	**15**	**1**	**1**	**-**	**181**	**6**	**-**	**-**
	(a) Hydromine Global Minerals GmbH Limited (Consolidated)	-	-	1	-	-	-	-	-
	(b) AV Minerals (Netherlands) N.V.	14	-	-	-	166	-	-	-
	(c) Suvas Holdings Limited	1	-	-	-	15	-	-	-
	(d) Aditya Birla Renewables Subsidiary Limited	-	1	-	-	-	6	-	-
8	**Investments, Loans and Deposits made returned back during the year by**								
	Loans and Deposits Returned back during the Year	**26**	**5**	**-**	**-**	**-**	**-**	**-**	**-**
	(a) Aditya Birla Science & Technology Company Private Limited	-	5	-	-	-	-	-	-
	(b) Dahej Harbour & Infrastructure Limited	15	-	-	-	-	-	-	-
	(c) Renuka Investments & Finance Limited	5	-	-	-	-	-	-	-
	(d) Renukeshwar Investments & Finance Limited	5	-	-	-	-	-	-	-
	(e) Suvas Holdings Limited	1	-	-	-	-	-	-	-
9	**Investments, Deposits, Loans and Advances obtained during the year from**								
	Deposits, Loans and Advances obtained during the year from	**-**	**-**	**-**	**-**	**800**	**-**	**-**	**-**
	(a) Utkal Alumina International Limited	-	-	-	-	800	-	-	-
10	**Investments, Deposits, Loans and Advances repaid during the year to**								
	Deposits, Loans and Advances repaid during the year to	**-**	**-**	**-**	**-**	**800**	**-**	**-**	**-**
	(a) Utkal Alumina International Limited	-	-	-	-	800	-	-	-
11	**Guarantees and Collateral Securities released during the year**	**-**	**-**	**-**	**-**	**4,866**	**-**	**-**	**-**
	(a) Suvas Holdings Limited	-	-	-	-	13	-	-	-
	(b) Utkal Alumina International Limited	-	-	-	-	4,853	-	-	-
12	**Licence and Lease agreements**	**-**	**-**	**-**	**-**	-	-	-	-
	(a) Dahej Harbour & Infrastructure Limited	*	-	-	-	*	-	-	-
13	**Recovery of ESOP Expenses**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(a) Hindalco - Almex Aerospace Limited	*	-	-	-	*	-	-	-
	(b) Utkal Alumina International Limited	1	-	-	-	*	-	-	-

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₹ in Crore

	31/03/2020				31/03/2019			
	Subsidiaries	Associates	Joint Ventures	Others **	Subsidiaries	Associates	Joint Ventures	Others **
14 Outstanding balances #								
(i) Receivables	**11**	**-**	**-**	**139**	**8**	**-**	**-**	**16**
(a) Hydromine Global Minerals GmbH Limited (Consolidated)	-	-	-	-	-	-	*	-
(b) Dahej Harbour & Infrastructure Limited	*	-	-	-	-	-	-	-
(c) East Coast Bauxite Mining Company Pvt. Limited	*	-	-	-	*	-	-	-
(d) Hindalco - Almex Aerospace Limited	*	-	-	-	*	-	-	-
(e) Lucknow Finance Company Limited	*	-	-	-	-	-	-	-
(f) Minerals & Minerals Limited	11	-	-	-	8	-	-	-
(g) Renuka Investments & Finance Limited	*	-	-	-	-	-	-	-
(h) Renukeshwar Investments & Finance Limited	*	-	-	-	-	-	-	-
(i) Suvas Holdings Limited	*	-	-	-	-	-	-	-
(j) Utkal Alumina International Limited	*	-	-	-	*	-	-	-
(k) Aditya Birla Management Corporation Private Limited (ABMCPL)	-	-	-	139	-	-	-	16
(ii) Payables	**255**	**1**	**-**	**22**	**327**	**1**	**-**	**32**
(a) Dahej Harbour & Infrastructure Limited	3	-	-	-	7	-	-	-
(b) Lucknow Finance Company Limited	*	-	-	-	-	-	-	-
(c) Novelis Inc. and its Subsidiaries	5	-	-	-	3	-	-	-
(d) Utkal Alumina International Limited	247	-	-	-	317	-	-	-
(e) Aditya Birla Renewables Subsidiary Limited	-	1	-	-	-	1	-	-
(f) Aditya Birla Management Corporation Private Limited (ABMCPL)	-	-	-	22	-	-	-	32
(iii) Loans and Deposits (Given)	**9**	**46**	**-**	**-**	**11**	**51**	**-**	**-**
(a) Aditya Birla Science & Technology Company Private Limited	-	46	-	-	-	51	-	-
(b) AV Minerals (Netherlands) N.V.	-	-	-	-	*	-	-	-
(c) Lucknow Finance Company Limited	*	-	-	-	*	-	-	-
(d) Suvas Holdings Limited	9	-	-	-	11	-	-	-
(iv) Guarantees and Collateral Securities given	**5**	**-**	**-**	**-**	**5**	**-**	**-**	**-**
(a) Dahej Harbour & Infrastructure Limited	5	-	-	-	5	-	-	-

For details of investment in Subsidiaries, Joint Ventures and Associates (refer Notes 5, 6 and 15A of Standalone Financial Statements).

For details of Subsidiaries, Joint Ventures and Associates (refer note 53 of Consolidated Financial Statement).

* *Amount below rounding off convention.*

all outstanding balances are unsecured and are payable in cash.

** The Company is a member of Aditya Birla Management Corporation Private Limited (ABMCPL), a company limited by guarantee formed for the purpose of its members to mutually avail and share common facilities, expertise and other support on cost basis.

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(II) Trusts

Contribution to Trusts:

(a) Hindalco Employee's Gratuity Fund, Kolkata, ₹ 20 Crore (year ended 31/03/2019 ₹ Nil).

(b) Hindalco Employee's Gratuity Fund, Renukoot, ₹ 46 Crore (year ended 31/03/2019 ₹ 43 Crore).

(c) Hindalco Employee's Provident Fund Institution, Renukoot, ₹ 76 Crore (year ended 31/03/2019 ₹ 72 Crore).

(d) Hindalco Superannuation Scheme, Renukoot, ₹ 7 Crore (year ended 31/03/2019 ₹ 7 Crore).

(e) Hindalco Industries Limited Employees' Provident Fund II ₹ 63 Crore (year ended 31/03/2019 ₹ 58 Crore).

(f) Hindalco Industries Limited Senior Management Staff Pension Fund II ₹ 5 Crore (year ended 31/03/2019 ₹ 5 Crore).

(g) Hindalco Jan Seva Trust ₹ 1 Crore (year ended 31/03/2019 ₹ 1 Crore).

(h) Copper Jan Seva Trust ₹ 6 Crore (year ended 31/03/2019 ₹ 6 Crore).

Outstanding balances:

Receivable

(a) Hindalco Jan Seva Trust ₹ * Crore (as at 31/03/2019 ₹ 1 Crore).

Payable

(a) Copper Jan Seva Trust ₹ 3 Crore (as at 31/03/2019 ₹ 4 Crore).

* *Amount below rounding off convention.*

(III) Key Managerial Remuneration

(i) Executive Directors

(a) Mr. Satish Pai - Managing Director

(b) Mr. Praveen Maheshwari Whole - time Director & Chief Financial Officer

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(ii) Non-Executive Directors

(a) Mr. Kumar Mangalam Birla

(b) Smt. Rajashree Birla

(c) Mr. D. Bhattacharya

(d) Mr. A.K. Agarwala

(e) Mr. M.M. Bhagat (Resigned w.e.f. 30th August, 2019)

(f) Mr. K.N. Bhandari

(g) Mr. Y.P. Dandiwala

(h) Mr. Ram Charan

(i) Mr. Girish Dave (Resigned w.e.f. 11th November, 2019)

(j) Ms. Alka Bharucha

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

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

₹ in Crore

		Year ended	
		31/03/2020	31/03/2019
(a)	**Remuneration of Executive Directors $@**	**38**	**33**
	Short-term employment benefit	36	31
	Post-employment benefits #	2	2
(b)	**Remuneration of Non-Executive Directors**	**7**	**9**
	Pension	4	4
	Commission and Sitting Fees	3	5

$ includes Managing Director and CFO (Whole-time Director).

\# As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

@ Excludes amortisation of fair value of employee share-based payments under Ind AS 102.

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

45. Contingent Liabilities and Commitments

A. Contingent Liabilities

₹ in Crore

		As at 31/03/2020	As at 31/03/2019
(a)	**Claims against Company not acknowledged as Debt:**		
	Following demands are disputed by the Company and are not provided for:		
(i)	Demand for Stamp Duty by Collector (Stamp), Kanpur, Uttar Pradesh (U.P.) on merger of Copper Business of IndoGulf Corporation with the Company	20	20
	The matter is pending before the Hon'ble High Court of Allahabad. The Company believes that there is no substantive/computation provision for levy/calculation of stamp duty within the provisions of Uttar Pradesh Stamp Act on scheme of arrangement under the Companies Act, 1956, approved by the Court. Moreover, the properties in question are located in the State of Gujarat and, thus, the Collector (Stamp), Kanpur, has no territorial jurisdiction to make such a demand. Further, the Company has already paid the stamp duty for the same in 2003-04 which has been accepted as per the provisions of the Bombay Stamp Act, 1958.		
(ii)	Demand towards drawal of energy during peak hours by Uttar Pradesh Power Corporation Limited (UPPCL)/ PurvanchalVidyutVitran Nigam Limited (PVVNL)	81	81
	The dispute relates to the agreement entered with UPPCL for the period 2009-14. Demand was raised by UPPCL for drawl of banked energy during peak hours. The Hon'ble Supreme Court has stayed the demand and the matter is pending with Appellate Tribunal for Electricity (APTEL).		
(iii)	Retrospective Revision of Water Rates by UP Jal Vidyut Nigam Limited	4	4
	Writ petition pending with Lucknow Bench of Allahabad High Court. The demand for arrears stayed.		
(iv)	Demand for Entry Tax relating to valuation dispute	28	28
	Appeals have been filed with Additional CCT, Sambalpur.		
(v)	Interest demand on witholding of 50% payment of Entry Tax	27	28
	Appeal is pending before Hon'ble High Court of Odhisa and stay has been granted.		
(vi)	Demand from State and Central Sales Tax authorities for various years	26	19
	At different levels of appeal.		
(vii)	Disallowances of Cenvat Credit on inputs & capital goods & short payment of excise on additional consideration received from recipient of deemed exporter	9	26
	Matters are pending with CESTAT.		
(viii)	Disallowances of Service Tax credit on Input services at various locations	101	132
	These matters are pending with CESTAT authorities.		
(ix)	Demand for recovery of cenvat credit availed on service tax paid on Goods Transport Agency (outward charges)	9	7
	The matter is pending with Commissioner (Appeals), Vadodara & Commissioner, Bharuch.		
(x)	Water Tariff revision demand for previous years	8	8
	The matter is pending in the Hon'ble High Court of Karnataka.		
(xi)	Green Cess Provision Under Electricity Act Year-2012-13 to Year 2017-18	12	11
	The matter is pending at Hon'ble Supreme Court.		
(xii)	Other Contingent Liabilities in respect of Excise, Customs, Sales Tax, etc. each being for less than ₹ 1 Crore	10	13
	The demands are in dispute at various legal forums.		

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₹ in Crore

		As at 31/03/2020	As at 31/03/2019
(xiii)	Transitional Credit of cess	27	27
	Writ Petition filed before Odisha and MP High Court.		
(xiv)	Penalty for Unauthorised Disposal of Anode Butts	14	14
	The matter is pending with Odisha High Court.		
		376	**418**

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, pending resolution of the respective proceedings.

		31/03/2020	31/03/2019
(b)	**Other money for which the Company is contingently liable**		
(i)	Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled	-	10

B. Commitments

₹ in Crore

		As at 31/03/2020	As at 31/03/2019
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	701	615
(b)	The Company has given the undertakings in connection with the loan of Utkal Aluminium International Limited (UAIL), a wholly owned subsidiary to hold minimum 51% equity shares in UAIL.		
(c)	Other Commitment for purchase of Goods and Services (Net of Advance)	560	1,355

46. Offsetting Financial Liabilities and Financial Assets

Financial instruments subject to offsetting, enforceable master netting arrangement and similar arrangements.

₹ in Crore

As at 31/03/2020	Note No.	Effects on Balance Sheet: Gross Amount	Gross amount set off in the balance sheet	Net amount presented in the balance sheet	Related Amounts not Offset: Amounts subject to master netting arrangements	Financial Instrument collateral	Net Amount
Financial Assets							
Derivatives	9A and 9B	986	(78)	908	-	-	908
Cash and Cash Equivalents	13	3,265	-	3,265	-	-	3,265
Trade Receivables	12	2,093	-	2,093	-	-	2,093
Other Financial Assets	9A and 9B	285	-	285	-	-	285
Total Financial Assets		**6,629**	**(78)**	**6,551**	**-**	**-**	**6,551**
Financial Liabilities							
Derivatives	20A and 20B	706	(78)	628	-	(161)	467
Trade Payables	19	3,990	-	3,990	-	-	3,990
Other Financial Liabilities	20A and 20B	1,012	-	1,012	-	-	1,012
Total Financial Liabilities		**5,708**	**(78)**	**5,630**	**-**	**(161)**	**5,469**

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₹ in Crore

As at 31/03/2019	Note No.	Effects on Balance Sheet			Related Amounts not Offset		
		Gross Amount	Gross amount set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral	Net Amount
Financial Assets							
Derivatives	9A and 9B	958	(40)	918	-	-	918
Cash and Cash Equivalents	13	1,515	-	1,515	-	-	1,515
Trade Receivables	12	2,125	-	2,125	-	-	2,125
Other Financial Assets	9A and 9B	478	-	478	-	-	478
Total Financial Assets		**5,076**	**(40)**	**5,036**	**-**	**-**	**5,036**
Financial Liabilities							
Derivatives	20A and 20B	577	(40)	537	-	(76)	461
Trade Payables	19	5,736	-	5,736	-	-	5,736
Other Financial Liabilities	20A and 20B	1,418	-	1,418	-	-	1,418
Total Financial Liabilities		**7,731**	**(40)**	**7,691**	**-**	**(76)**	**7,615**

47. Financial Instruments

A. Fair Value Measurement

(a) The following table shows the carrying amounts of Financial Assets and Financial Liabilities by category:

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₹ in Crore

	As at					
	31/03/2020			31/03/2019		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
Financial Assets:						
Investments in Associate						
Unquoted Instruments	-	34	-	-	28	-
Investments in Equity Instruments						
Quoted Equity Instruments	-	2,893	-	-	4,818	-
Unquoted Equity Instruments	-	27	-	-	35	-
Investments in Debt Instruments						
Mutual Funds	-	-	4,575	-	-	3,522
Bonds and Debentures	-	-	210	-	-	225
Government Securities	-	93	-	-	88	-
Derivatives	**-**	**-**	908	**-**	**-**	918
Cash and Cash Equivalents						
Cash and Bank	2,193	-	-	352	-	-
Liquid Mutual Funds	-	-	1,072	-	-	1,163
Bank Balances other than Cash and Cash Equivalents	15	-	-	65	-	-
Trade Receivables	2,081	-	12	1,757	-	368
Loans	69	-	-	75	-	-
Other Financial Assets	285	-	-	478	-	-
	4,643	**3,047**	**6,777**	**2,727**	**4,969**	**6,196**

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₹ in Crore

	As at 31/03/2020 Amortised Cost	FVTPL	31/03/2019 Amortised Cost	FVTPL
Financial Liabilities:				
Borrowings				
Non Convertible Debentures (NCDs)	5,994	-	5,991	-
Long-term Borrowings	9,666	-	9,643	-
Short-term Borrowings	7,384	-	3,895	-
Lease Liabilities	317	-	-	-
Derivatives	-	628	-	537
Trade Payables	1,779	2,211	2,763	2,973
Other Financial Liabilities	1,012	-	1,418	-
	26,152	**2,839**	**23,710**	**3,510**

The Company had acquired certain equity instruments for the purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorized as FVTOCI.

(b) The following table shows the fair values of Financial Assets and Financial Liabilities measured at amortised cost:

₹ in Crore

	As at 31/03/2020 Carrying Value	Fair Value	31/03/2019 Carrying Value	Fair Value
Financial Assets				
Loans	14	14	17	17
Deposits	165	165	165	165
	179	**179**	**182**	**182**

₹ in Crore

	As at 31/03/2020 Carrying Value	Fair Value	31/03/2019 Carrying Value	Fair Value
Borrowings				
Non-Convertible Debentures (NCDs)	5,994	6,697	5,991	6,662
Long-term Borrowings #	9,672	9,745	9,614	9,731
	15,666	**16,442**	**15,605**	**16,393**

Carrying amount includes current portion of long term borrowing shown under other current financial liabilities (Refer Note 20B) but excludes finance lease obligation and deferred payment liabilities.

Fair Value of borrowings does not include interest accrued but not due.

Fair values for current financial assets and financial liabilities have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

(c) Classification of finance income and finance cost by instrument category

₹ in Crore

	Year ended 31/03/2020 Amortised Cost	FVTOCI	FVTPL	31/03/2019 Amortised Cost	FVTOCI	FVTPL
Income						
Interest Income (i)	103	6	21	119	6	29
Dividend Income (ii)	-	27	-	-	30	*
	103	**33**	**21**	**119**	**36**	**29**
Expense						
Interest Expense (iii)	1,617	-	-	1,652	-	-
	1,617	**-**	**-**	**1,652**	**-**	**-**

**Amount below rounding off convention.*

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Details of amount not included in the table above.

₹ in Crore

		As at	
		31/03/2020	31/03/2019
(i)	Interest received from Income Tax Department	46	257
(ii)	Dividend from Subsidiaries	29	75
(iii)	Interest on Income Tax and other finance cost	62	31

For amortised cost and FVTOCI instruments, interest expense is recognised at effective interest rate.

B. Fair Value Hierarchy

The following table shows the details of financial assets and financial liabilities including their levels in the fair value hierarchy:

(i) Financial assets and financial liabilities measured at fair value - recurring fair value measurements:

₹ in Crore

Financial Assets	As at					
	31/03/2020			31/03/2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in Associates						
Unquoted Instruments	-	-	34	-	-	28
	-	**-**	**34**	**-**	**-**	**28**
Investments in Equity Instruments						
Quoted Equity Instruments	2,893	-	-	4,818	-	-
Unquoted Equity Instruments	-	-	27	-	-	35
	2,893	**-**	**27**	**4,818**	**-**	**35**
Investments in Debt Instruments						
Mutual Funds	4,556	19	-	3,477	45	-
Bonds and Debentures	6	-	204	5	180	40
Government Securities	-	73	20	-	44	44
	4,562	**92**	**224**	**3,482**	**269**	**84**
Derivatives	**-**	**908**	**-**	**-**	**918**	**-**
Trade Receivables	**-**	**12**	**-**	**-**	**368**	**-**
Cash and Cash Equivalents						
Liquid Mutual Funds	1,072	-	-	1,163	-	-
	8,527	**1,012**	**285**	**9,463**	**1,555**	**147**
Financial Liabilities						
Derivatives	-	628	-	-	537	-
Trade Payables	-	2,211	-	-	2,973	-
	-	**2,839**	**-**	**-**	**3,510**	**-**

(ii) Fair value disclosure of Financial Assets and Financial Liabilities measured at amortised cost:

₹ in Crore

	As at					
	31/03/2020			31/03/2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities:						
Long-term Borrowings	-	16,442	-	-	16,393	-
	-	**16,442**	**-**	**-**	**16,393**	**-**

₹ in Crore

	As at					
	31/03/2020			31.03.2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets:						
Loans and Advances, Non-Current			14			17
Deposits, Non-Current	-	-	165	-	-	165
	-	**-**	**179**	**-**	**-**	**182**

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Level 1: Hierarchy includes financial instruments valued using quoted market prices. Listed equity instruments and traded debt instruments, which are traded in the stock exchanges, are valued using the closing price at the reporting date. Mutual funds are valued using the closing NAV.

Level 2: Hierarchy includes financial instruments that are not traded in active market. This includes over the counter (OTC) derivatives, close ended mutual funds and debt instruments valued using observable market data such as yield, etc., of similar instruments traded in active market. All derivatives are reported at discounted values hence are included in Level 2. Borrowings have been fair valued using credit adjusted interest rate prevailing on the reporting date. Trade Receivables and Payables, that are realigned based on forward LME/LBMA price movements, have been included in Level 2 hierarchy.

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

(iii) 31/03/2020 and 31/03/2019, respectively

₹ in Crore

	Unquoted Associates	Unquoted Equity Instruments	Unquoted Debt Instruments	Total
As at 01/04/2018	**14**	**24**	**292**	**330**
Acquisitions	6	-	-	6
Sale	-	-	(136)	(136)
Gains/(losses) recognised in Profit or loss	-	-	2	2
Gains/(losses) recognised in OCI	8	11	-	19
Transfer from Level 1 and 2	-	-	62	62
Transfer to Level 1 and 2	-	-	(136)	(136)
As at 31/03/2019	**28**	**35**	**84**	**147**
Acquisitions	1	-	-	1
Sale	-	-	-	-
Gains/(losses) recognised in Profit or Loss	-	-	1	1
Gains/(losses) recognised in OCI	5	(8)	-	(3)
Transfer from Level 1 and 2	-	-	189	189
Transfer to Level 1 and 2	-	-	(50)	(50)
As at 31/03/2020	**34**	**27**	**224**	**285**
Unrealised Gain/(loss) recognised in profit and loss relating to assets and liabilities held at the end of reporting period:				
As at 31/03/2020	**-**	**-**	**5**	**5**
As at 31/03/2019	**-**	**-**	**2**	**2**

Transfers from Level 1 and 2 to Level 3 and out of Level 3 for unquoted debt instruments is based on unavailability/availability of market observable inputs as on the reporting date. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iv) Sensitivity analysis of Level-3 Instruments:

₹ in Crore

	Unquoted Associates		Unquoted Equity Instruments		Unquoted Debt Instruments	
	Impact on Statement of Profit and Loss Post Tax	Impact on OCI Post Tax	Impact on Statement of Profit and Loss Post Tax	Impact on OCI Post Tax	Impact on Statement of Profit and Loss Post Tax	Impact on OCI Post Tax
Increase in Yield by 0.5%						
As at 31/03/2020	-	-	-	-	(2)	(1)
As at 31/03/2019	-	-	-	-	(1)	(0)
Increase in Price to Book Multiple by 10%						
As at 31/03/2020	-	1	-	1	-	-
As at 31/03/2019	-	*	-	6	-	-

* *Amount below rounding off convention.*

Sensitivity with decrease in yield and Price Book Multiplier by 0.5% and 10% will have equal and opposite impact in financial statement.

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(v) Valuation Process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has set up a team in the finance department which performs the valuation of financial assets and liabilities.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The team reports findings to the management of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

(vi) Valuation techniques used for valuation of instruments categorised as Level 3

For valuation of investments in Equity Shares and associates, which are unquoted, peer comparison has been performed wherever available. Valuation has been primarily done by considering the net worth of the Company and price to book multiple to arrive at the fair value. In cases where income approach was feasible valuation has been arrived using the earnings capitalisation method. For inputs that are not observable for these instruments, certain assumptions are made based on available information. The most significant of these assumptions are the discount rate and credit spreads used in the valuation process.

For valuation of investments in debt securities categorised as Level 3, market polls which represent indicative yields are used as assumptions by market participants when pricing the asset.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

48. Financial Risk Management

The Company's activities expose it to various risks such as market risk, liquidity risk and credit risk. This section explains the risks, which the Company is exposed to and how it manages those risks.

A. Market Risk

(i) Market Risk : Commodity Price Risk

Hindalco's India Operations consist of two businesses – Copper Business and Aluminium Business. The Copper Business works under a "Custom Smelting" model wherein the focus is to improve the processing margin. The timing mis-match risk between the input and output price, which is linked to the same international pricing benchmark, is eliminated through use of derivatives. This off-set hedge model (through use of derivatives) is used to manage the timing mis-match risk for both Commodity (Copper and Precious Metals) and Currency Risk (primarily, USD/INR). The Copper Business also has a portion of View-Based exposure for both Commodity and Currency, beyond the above timing mis-match risk. Lower Copper Prices, Stronger USD/INR exchange rate and Higher "Other Input" Prices (e.g. Coal, furnace oil, natural gas, etc.) are the major price risks that adversely impact the business. Here, the Company may use derivative instruments, wherever available, to manage these pricing risks. A variety of factors, including the risk appetite of the business and price view, are considered while taking Hedging Decisions. Such view-based hedges are usually done for the next 1-15 quarters.

The Aluminium Business is a vertically integrated business model wherein the input and output pricing risks are independent of each other, i.e. – are on different pricing benchmarks, if any. Here, the Company may use derivative instruments, wherever available, to manage its pricing risks for both input and output products. Lower Aluminium Prices, Stronger USD/INR exchange rate and Higher Input Prices (e.g. Alumina, Furnace Oil) are the major price risks that adversely impact the business. Hedging decisions are based on a variety of factors, including risk appetite of the business and price view. Such hedge decisions are usually done for the next 1-12 quarters.

Embedded Derivatives

Copper concentrate is purchased on future pricing model based on month's average LME (in case of copper)/ LBMA (in case of gold and silver). Since, the value of the concentrate changes with response to change in commodity pricing indices, embedded derivatives (ED) is identified and segregated in the contract. The ED, so segregated, is treated like commodity derivative and qualify for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to inventory.

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(b) The table below summarises gain/(loss) impact of increase/decrease in the commodity price on the Company's equity and profit for the year:

₹ in Crore

Commodity Risk	Price Index	Increase in Price	Year ended 31/03/2020 Gain/ (Loss) in Statement of Profit and Loss Post Tax	Year ended 31/03/2020 Gain/ (Loss) in Other Components of Equity Post Tax	Year ended 31/03/2019 Gain/ (Loss) in Statement of Profit and Loss Post Tax	Year ended 31/03/2019 Gain/ (Loss) in Other Components of Equity Post Tax
Aluminium	LME	10%	(1)	(200)	*	(180)
Copper	LME	10%	(222)	(47)	(385)	(2)
Gold	LBMA/ MCX	10%	(86)	-	154	(222)
Silver	LBMA	10%	(14)	-	(2)	(10)
Furnace Oil	AG Platts	10%	*	10	2	7
Coal	API IV	10%	*	1	*	3
Regasified Liquid Natural Gas	ICE Brent	10%	*	1	-	-

* *Amount below rounding off convention.*

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the outstanding derivative position as on the reporting date by assuming all other factors constant.

(ii) Market Risk : Foreign Currency Risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on our operating results. In addition to the foreign exchange inflow from exports, the commodity prices in the domestic market are derived based on the landed cost of imports in India where LME prices and USD/INR exchange rate are the main factors. In case of conversion business, the objective is to match the exchange rate of outflows and related inflows through derivative financial instruments. With respect to Aluminium business where costs are predominantly in INR, the strengthening of INR against USD adversely affects the profitability of the business and benefits when INR depreciates against USD. The Company enters into various foreign exchange contracts to protect profitability. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign currency exchange rate movement in foreign currency contracts executed with foreign suppliers to procure capital items for its project activities.

(a) The Company's net exposure to foreign currency risk at the end of the reporting period, expressed in ₹, is given below:

Unhedged Foreign Currency Payable / (Receivable)

₹ in Crore

Currency Pair	As at 31/03/2020	As at 31/03/2019
USD	469	525
EUR	(2)	*
GBP	1	2
NOK	1	1
AUD	*	1
CHF	1	1
	470	**530**

* *Amount below rounding off convention.*

Assets and liabilities that are naturally hedged against future transactions are excluded for the purpose of above disclosure.

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(b) The table below summarises gain/(loss) impact of increase/decrease in the exchange rates on the Company's equity and profit for the year:

₹ in Crore

Currency Risk	Increase in Rate/Price	Year ended 31/03/2020		Year ended 31/03/2019	
		Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax	Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax
USD	10%	114	(1,293)	10	(922)
EUR	10%	4	5	5	4

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying currency index on the outstanding derivative position and unhedged exposure as on the reporting date by assuming all other factors constant.

(iii) Market Risk: Equity Securities Price Risk

The Company's exposure to equity securities price risk arises from movement in market price of related securities classified either as FVTOCI or FVTPL. The Company manages the price risk through diversified portfolio.

The table below summarises gain/(loss) impact of increase/decrease in the equity share price on the Company's equity and profit for the year:

₹ in Crore

Other Price Risk	Price Index	Increase Rate/Price	Year ended 31/03/2020		Year ended 31/03/2019	
			Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax	Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax
Investment in Equity Securities	NSE	10%	-	256	-	426

Decrease in prices by 10% will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the market price of the underlying price index on the investment portfolio as on the reporting date by assuming all other factors constant.

(iv) Market Risk: Interest Rate Risk

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. It maintains a balance of fixed and floating interest rate borrowings, and the proportion is determined by current market interest rates, projected debt servicing capability and view on future interest rates. Such interest rate risk is actively evaluated, and interest rate swap is taken whenever considered necessary.

The Company is also exposed to interest rate risk on its financial assets that include fixed deposits, bonds, debentures, commercial papers, other mutual funds and liquid investments comprising mainly mutual funds (which are part of cash and cash equivalents). Since, majority of these are generally for short durations, the Company believes it has limited interest rate risk.

(a) The table below summarises gain/(loss) impact of increase/decrease in the interest rates on the Company's equity and profit for the year:

₹ in Crore

Interest Rate Risk	Increase in Rate year ended 31/3/2020	Increase in Rate year ended 31/3/2019	Year ended 31/03/2020		Year ended 31/03/2019	
			Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax	Gain/ (Loss) in Statement of Profit and Loss Post Tax	Gain/ (Loss) in Other Components of Equity Post Tax
Interest rate on floating rate borrowings	100 bps	50 bps	(62)	-	(40)	-

Decrease in rates by 100 bps/ 50 bps will have equal and opposite impact in financial statements.

Sensitivity analysis has been computed by stress testing the interest rates applicable (i.e. USD 3M Libor, SBI 3M MCLR, Axis 1M MCLR, etc.) on the amount of borrowings during the year by assuming all other factors constant.

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B. Liquidity Risk

The Company determines its liquidity requirements in the short, medium and long term. This is done by drawing up cash forecast for short and medium-term requirements and strategic financing plans for long-term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while, at the same time, maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice, and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

(i) Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in Crore

	As at	
	31/03/2020	31/03/2019
Bank Overdraft and other facilities (expiring within 1 year)	200	180
Bank Overdraft and other facilities (expiring beyond 1 year)	575	1,501

Undrawn limit has been calculated based on the available drawing power and sanctioned amount at each reporting date.

(ii) Maturity Analysis

The Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net settled derivative financial instruments. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

₹ in Crore

Contractual maturities of financial liabilities as at 31/03/2020	Less than 1 Year	1 Year to 2 Years	2 Years to 5 Years	More than 5 Years	Total	Carrying Value
Non-Derivatives						
Borrowings-(a)	8,279	1,604	9,744	10,149	29,776	23,050
Lease Liabilities-(b)	97	63	87	563	810	317
Trade payables	3,990	-	-	-	3,990	3,990
Other financial liabilities	998	6	2	-	1,006	1,006
	13,364	**1,673**	**9,833**	**10,712**	**35,582**	**28,363**
Derivatives (net settled)						
Commodity Forwards/Swaps	154	5	-	-	159	159
Fx currency forwards	203	93	43	-	339	339
Fx Swaps	130	-	-	-	130	130
	487	**98**	**43**	**-**	**628**	**628**

₹ in Crore

Contractual maturities of financial liabilities as at 31/03/2019	Less than 1 Year	1 Year to 2 Years	2 Years to 5 Years	More than 5 Years	Total	Carrying Value
Non - Derivatives						
Borrowings (a)	3,913	1,375	9,958	11,974	27,220	19,501
Obligations under finance lease	8	8	20	8	44	33
Trade payables	5,734	1	1	-	5,736	5,736
Other financial liabilities	1,406	3	4	*	1,413	1,413
	11,061	**1,387**	**9,983**	**11,982**	**34,413**	**26,683**

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₹ in Crore

Contractual maturities of financial liabilities as at 31/03/2019	Less than 1 Year	1 Year to 2 Years	2 Years to 5 Years	More than 5 Years	Total	Carrying Value
Derivatives (net settled)						
Commodity Forwards/Swaps	60	-	-	-	60	60
Fx Currency forwards	46	1	*	-	47	47
Fx Swaps	369	62	-	-	431	430
	475	**63**	**-**	**-**	**538**	**537**

* *Amount below rounding off convention.*

(a) Includes Principal and interest payments, short-term borrowings, current portion of debt and excludes unamortised fees.

(b) Total cash outflow for leases for the year ended 31/03/2020 is ₹ 169 Crore.

C. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation.

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk is managed on an entity level basis. The Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating risk of financial loss from defaults. The Company invests only in those instruments issued by high rated banks/ institutions and government agencies. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company's investments in debt instruments and certain loans are considered to have low credit risk. The credit ratings of the investments are monitored for credit deterioration.

For some trade receivables the Company obtains security in the form of guarantees, deed of undertaking or letters of credit, which can be called upon if the counterparty is in default under the terms of the agreement.

The Company periodically monitors the recoverability and credit risks of its other financial assets including security deposits and other receivables. The Company evaluates 12-month expected credit losses for all the financial assets for which credit risk has not increased. In case credit risk has increased significantly, the Company considers life time expected credit losses for the purpose of impairment provisioning.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

(i) Summary of trade receivables and provision with ageing as at 31-Mar-20

₹ in Crore

Particulars	Not Due	Past Due 1 to 30 Days	31 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Gross carrying amount - Domestic	1,271	147	77	47	54	72	1,668
Gross carrying amount - Export	351	106	4	2	0	1	464
Expected loss rate	0.03%	0.63%	0.85%	10.85%	0.00%	1.07%	0.41%
Expected credit loss provision	*	2	1	5	-	1	9
Loss allowance - Credit impaired - Export	-	-	-	-	-	1	1
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	29	29
Total Provision	*	2	1	5	-	31	39
Carrying amount of trade receivables (net of impairment)	**1,622**	**251**	**80**	**44**	**54**	**42**	**2,093**

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(ii) Summary of trade receivables and provision with ageing as at 31-Mar-19

₹ in Crore

Particulars	Not Due	Past Due 1 to 30 Days	31 to 60 Days	61 to 120 Days	121 to 180 Days	Over 180 Days	Total
Gross carrying amount - Domestic	1,381	94	59	32	53	155	1,774
Gross carrying amount - Export	340	41	4	-	-	1	386
Expected loss rate	0.05%	0.62%	3.46%	3.14%	0.19%	0.17%	0.24%
Expected credit loss provision	1	1	2	1	*	0	5
Loss allowance - Credit impaired - Export	-	-	-	-	-	1	1
Loss allowance - Credit impaired - Domestic	-	-	-	-	-	29	29
Total Provision	1	1	2	1	0	30	35
Carrying amount of trade receivables (net of impairment)	**1,720**	**134**	**61**	**31**	**53**	**126**	**2,125**

(iii) Reconciliation of Provision

₹ in Crore

Loss allowance as at 01/04/2018	**36**
changes in loss allowance	(1)
Loss allowance as at 31/03/2019	**35**
changes in loss allowance	4
Loss allowance as at 31/03/2020	**39**

Of the trade receivables balance as at 31/03/2020 ₹ 256 Crore (as at 31/03/2019 ₹ 346 Crore) is due from a single customer being the Company's largest customer. There are no other customers who represent more than 10% of the total balance of trade receivables.

Financial Assets at FVTPL and at FVTOCI:

The Company is also exposed to credit risks in relation to financial assets that are measured at FVTPL or at FVTOCI. The maximum exposure at the end of the reporting period is the carrying amount of these assets.

49. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while, at the same time, provide reasonable returns to its various stakeholders, but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short-term and long-term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital. No changes were made to the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

	As at 31/03/2020	As at 31/03/2019
Debt Equity Ratio	0.51	0.40

As at March 31, 2020 and March 31, 2019, the Company was in compliance with all of its debt covenants for borrowings.

50. Derivative Financial Instruments:

The Company uses derivative financial instruments such as forwards, futures, swaps, options etc. to hedge its risks associated with foreign exchange fluctuation. Risks associated with fluctuation in the price of the products (copper, aluminium, coal, furnace oil and precious metals) are minimized by undertaking appropriate derivative instruments. Derivatives embedded in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. In some cases, the embedded derivatives may be designated in a hedge relationship. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

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The Company also applies hedge accounting using certain foreign currency non-derivative monetary items, which are used as hedging instruments for hedging foreign exchange risk.

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

₹ in Crore

	Nature of Risk being Hedged	As at 31/03/2020 Liability	Asset	Net Fair Value	As at 31/03/2019 Liability	Asset	Net Fair Value
Current							
Cash flow hedges							
Commodity contracts	Price Risk Component	(72)	643	571	(5)	440	435
Foreign currency contracts	Exchange rate movement risk	(314)	20	(294)	(411)	341	(70)
Fair Value Hedge							
Commodity contracts	Price Risk Component	(78)	46	(32)	-	-	-
Foreign currency contracts	Exchange rate movement risk	-	46	46	-	-	-
Embedded Derivatives *	Risk of change in Fair Value of unpriced inventory	(11)	526	515	(249)	6	(243)
Non-designated hedges							
Commodity contracts		(4)	88	84	(55)	40	(15)
Foreign currency contracts		(19)	19	-	(3)	1	(2)
Embedded Derivatives *		-	14	14	-	-	-
Total		**(498)**	**1,402**	**904**	**(723)**	**828**	**105**
Non-Current Cash Flow Hedges							
Commodity contracts	Price Risk Component	(5)	37	32	-	30	30
Foreign currency contracts	Exchange rate movement risk	(136)	9	(127)	(63)	66	3
Non-designated hedges							
Commodity contracts		-	-	-	-	-	-
Foreign currency contracts		*	-	-	*	-	-
Total		**(141)**	**46**	**(95)**	**(63)**	**96**	**33**
Grand Total		**(639)**	**1,448**	**809**	**(786)**	**924**	**138**

* Fair Value gain of ₹ 529 Crore (31/03/2019 loss ₹ 243 Crore) is classified as part of Trade Payables.

The maturity profile for Commodity forwards ranges from April 2020 to March 2022, Foreign Exchange Forwards ranges from April 2020 to March 2025 and Foreign Exchange Swaps/options ranges from April 2020 to Jun 2020. Hedge Ratio of 1:1 is used by the Company except for its Natural Gas hedge program.

Derivative assets are part of other financial assets included in Notes 9A & 9B. Derivative liabilities are part of other financial liabilities included in Notes 20A & 20B.

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

₹ in Crore

	Currency Pair	As at 31/03/2020 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)	As at 31/03/2019 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)
Foreign currency forwards							
Cash flow hedges							
Sell	USD_INR	79.85	1,557	(300)	74.18	657	88
Buy	USD_INR	-	-	-	71.65	125	(24)
Buy	EUR_INR	85.62	9	*	82.72	10	(1)
Total				**(300)**			**63**

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	Currency Pair	As at 31/03/2020 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)	As at 31/03/2019 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)
Fair Value Hedges							
Buy	USD_INR	73.18	132	46	-	-	-
Total				**46**			**-**
Non-Designated							
Buy	EUR_INR	85.44	7	*	84.86	6	(1)
Buy	GBP_INR	93.21	-	*	95.49	-	*
Buy	USD_INR	75.83	247	12	69.25	31	1
Sell	USD_INR	75.56	157	(12)	69.92	130	(2)
Total				**-**			**(2)**
Foreign Currency swaps Cash flow hedges							
Sell	USD_INR	63.51	118	(109)	63.69	589	(130)
Total				**(109)**			**(130)**
Foreign currency options							
Cash flow hedges							
Sell	USD_INR	72.79	50	(12)	-	-	-
Total				**(12)**			**-**

* *Amount below rounding off convention.*

(C) Outstanding position and fair value of various foreign exchange non-derivative financial instruments used as hedging instruments:

₹ in Crore

	Currency Pair	As at 31/03/2020 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)	As at 31/03/2019 Average Exchange Rate	Notional Value (in Million)	Fair Value Gain/ (Loss) (₹ Crore)
Foreign currency monetary items Cash flow hedges							
Debt	USD_INR	71.52	659	(254)	71.87	434	114
Liability for Copper Concentrate	USD_INR	73.86	267	(47)	69.91	350	25
Total				**(301)**			**139**

(D) Outstanding position and fair value of various commodity derivative financial instruments:

(i) Outstanding position and fair value of various commodity derivative financial instruments as at March 31, 2020:

₹ in Crore

		Currency	Average Price/ Unit	Quantity	Unit	Notional Value (in Millions)	Fair Value Gain/(Loss) (₹ Crore)
Commodity Futures/Forwards/Swaps Cash Flow Hedges							
Aluminium	Sell	USD	1,864.28	265,500	MT	495	622
Copper	Sell	USD	5,261.20	19,650	MT	103	46
Furnace Oil	Buy	USD	257.24	118,867	MT	31	(65)
Coal	Buy	USD	72.00	20,000	MT	1	*
Natural Gas	Buy	USD	34.55	45,500	BBL	2	*
Total							**603**

* *Amount below rounding off convention.*

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₹ in Crore

		Currency	Average Price/ Unit	Quantity	Unit	Notional Value (in Millions)	Fair Value Gain/(Loss) (₹ Crore)
Fair Value Hedges							
Gold	Sell	INR	4,154,052	4,808	KGS	19,966	(77)
Silver	Sell	USD	17.59	1,709,254	TOZ	30	45
Total							**(32)**
Non-Designated Hedges							
Aluminium	Buy	USD	1,613.33	18,350	MT	30	(15)
Aluminium	Sell	USD	1,875.43	18,150	MT	34	50
Copper	Buy	USD	4,989.39	8,150	MT	41	(3)
Copper	Sell	USD	5,275.19	12,750	MT	67	32
Gold	Buy	INR	4,238,148	2,885	KGS	12,227	27
Silver	Buy	USD	13.06	201,115	TOZ	3	1
Silver	Sell	USD	18.28	177,427	TOZ	3	6
Furnace Oil	Buy	USD	279.34	13,962	MT	4	(12)
Furnace Oil	Sell	USD	170.58	12,830	MT	2	1
Coal	Buy	USD	75.61	50,000	MT	4	(2)
Coal	Sell	USD	68.75	50,000	MT	3	(1)
Natural Gas	Buy	USD	34.55	6,500	BBL	-	*
Total							**84**
Embedded derivatives							
Fair Value Hedges							
Copper	Sell	USD	5,726.45	84,801	MT	486	501
Gold	Sell	USD	1,595.69	42,835	TOZ	68	7
Silver	Sell	USD	16.99	294,397	TOZ	5	7
Total							**515**
Non-Designated Hedges							
Copper	Sell	USD	5,654.37	2,536	MT	14	14
Total							**14**

* *Amount below rounding off convention.*

(ii) Outstanding position and fair value of various commodity derivative financial instruments as at 31st March, 2019:

₹ in Crore

		Currency	Average Price/ Unit	Quantity	Unit	Notional Value in Millions	Fair Value Gain/(Loss) ₹ in Crore
Commodity Futures/Forwards/Swaps							
Cash Flow Hedges							
Aluminium	Sell	USD	2,224.09	208,600	MT	464	383
Copper	Sell	USD	6,493.34	800	MT	5	*
Gold	Sell	INR	3,279,046	6,843	KGS	22,439	66
Silver	Sell	USD	16.06	1,513,065	TOZ	24	8
Furnace Oil	Buy	USD	341.20	50,000	MT	17	12
Coal	Buy	USD	81.00	90,000	MT	7	(4)
Total							**465**
Non-Designated Hedges							
Aluminium	Buy	USD	1,881.27	33,725	MT	63	4
Aluminium	Sell	USD	1,987.75	33,725	MT	67	20
Copper	Buy	USD	6,358.94	7,075	MT	45	6
Copper	Sell	USD	6,510.95	12,625	MT	82	2
Gold	Buy	INR	3,288,031	4,474	KGS	14,711	(51)

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₹ in Crore

		Currency	Average Price/ Unit	Quantity	Unit	Notional Value in Millions	Fair Value Gain/(Loss) ₹ in Crore
Silver	Buy	USD	15.43	217,134	TOZ	3	*
Silver	Sell	USD	15.55	69,015	TOZ	1	*
Furnace Oil	Buy	USD	363.67	9,998	MT	4	4
Furnace Oil	Sell	USD	417.39	9,998	MT	4	*
Total							**(15)**
Embedded derivatives							
Fair Value Hedges							
Copper	Sell	USD	6,105.30	121,896	MT	755	(246)
Gold	Sell	USD	1,306.69	33,123	TOZ	43	2
Silver	Sell	USD	15.56	351,099	TOZ	5	1
Total							**(243)**

* *Amount below rounding off convention.*

(E) Details of amount held in OCI and the period during which these are going to be released and affecting Statement of Profit & Loss:

₹ in Crore

Cash Flow Hedges	As at 31/03/2020			As at 31/03/2019		
	Closing Value in Hedging Reserve	Release: In less than 12 Months	Release: After 12 Months	Closing Value in Hedging Reserve	Release: In less than 12 Months	Release: After 12 Months
	Gain/ (Loss)	Gain/ (Loss)	Gain/ (Loss)	Gain/ (Loss)	Gain/ (Loss)	Gain/ (Loss)
Commodity Forwards/Futures/Swaps						
Aluminium	622	622	-	383	357	26
Copper	46	46	-	*	*	-
Gold	-	-	-	*	*	-
Silver	-	-	-	8	8	-
Furnace Oil	(64)	(63)	(1)	12	12	-
Coal	*	*	-	(4)	(4)	-
Natural Gas	*	*	-	-	-	-
	604	**605**	**(1)**	**399**	**373**	**26**
Non-Derivative Financial Instruments						
Debt	(254)	(254)	-	114	114	-
Liability for Copper Concentrate	(59)	(59)	-	20	20	-
Foreign Currency Forwards						
USD_INR	(300)	(172)	(128)	88	23	65
EUR_INR	(1)	(1)	-	(1)	*	(1)
Foreign Currency Swaps						
USD_INR	(139)	(139)	-	(317)	(252)	(65)
Foreign Currency Options						
USD_INR	(10)	(10)	-	-	-	-
	(763)	**(635)**	**(128)**	**(96)**	**(95)**	**(1)**
	(159)	**(30)**	**(129)**	**303**	**278**	**25**
Deferred Tax on above	57	10	47	(105)	(97)	(8)
Total	**(102)**	**(20)**	**(82)**	**198**	**181**	**17**

* *Amount below rounding off convention.*

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₹ in Crore

Cost of Hedging Reserve	As at 31/03/2020 Closing Value in Hedging Reserve	31/03/2020 Release In less than 12 Months	31/03/2020 Release After 12 Months	As at 31/03/2019 Closing Value in Hedging Reserve	31/03/2019 Release In less than 12 Months	31/03/2019 Release After 12 Months
	Gain/(Loss)	Gain/ (Loss)	Gain/ (Loss)	Gain/ (Loss)	Gain/ (Loss)	Gain/ (Loss)
Commodity Forwards/Futures/Swaps						
Silver	1	1	-	-	-	-
Foreign currency Swaps						
USD_INR	184	184	-	772	615	157
Foreign currency Options						
USD_INR	(2)	(2)	-	-	-	-
	183	**183**	**-**	**772**	**615**	**157**
Deferred Tax on above	(64)	(64)	-	(270)	(215)	(55)
Total	**119**	**119**	**-**	**502**	**400**	**102**

(F) Gain/(loss) recognized in OCI and recycled:

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

₹ in Crore

	Opening Balance	Net Amount Recognised	Recycled: Net Amount to P&L	Recycled: Net Amount added to Non-Financial Assets	Recycled: Total Amount Recycled	Closing Balance before Tax
Cash Flow Hedges						
Commodity	399	805	621	(21)	600	604
Forex	(96)	(1,077)	(409)	(1)	(410)	(763)
Total	**303**	**(272)**	**212**	**(22)**	**190**	**(159)**
Deferred Tax on above	(105)	96	(74)	8	(66)	57
Total	**198**	**(176)**	**138**	**(14)**	**124**	**(102)**

₹ in Crore

	Opening Balance	Net Amount Recognised	Recycled: Net Amount to P&L	Recycled: Net Amount added to Non-Financial Assets	Recycled: Total Amount Recycled	Closing Balance before Tax
Cost of Hedging Reserve						
Commodity	-	3	2	-	2	1
Forex	772	94	684	-	684	182
Total	**772**	**97**	**686**	**-**	**686**	**183**
Deferred Tax on above	(270)	(34)	(240)	-	(240)	(64)
Total	**502**	**63**	**446**	**-**	**446**	**119**

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ii. Amount of gain/(loss) recognized in Hedging Reserve and recycled during the year 2018-19:

₹ in Crore

		Recycled				
	Opening Balance	Net Amount Recognised	Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount Recycled	Closing Balance before Tax
Cash Flow Hedges						
Commodity	(219)	781	162	1	163	399
Forex	216	(983)	(671)	-	(671)	(96)
Total	**(3)**	**(202)**	**(509)**	**1**	**(508)**	**303**
Deferred Tax on above	2	71	178	-	178	(105)
Total	**(1)**	**(131)**	**(331)**	**1**	**(330)**	**198**

₹ in Crore

		Recycled				
	Opening Balance	Net Amount Recognised	Net Amount to P&L	Net Amount added to Non-Financial Assets	Total Amount Recycled	Closing Balance before Tax
Cost of Hedging						
Commodity	-	(42)	(42)	-	(42)	-
Forex	995	200	423	-	423	772
Total	**995**	**158**	**381**	**-**	**381**	**772**
Deferred Tax on above	(348)	(55)	(133)	-	(133)	(270)
Total	**647**	**103**	**248**	**-**	**248**	**502**

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(G) Amount of gain/ (loss) recycled from Hedging Reserve and reference of the line item in Statement of Profit and Loss where those amounts are included:

₹ in Crore

			Year ended	
Note No.	**Note Description**	**Nature of Products**	**31/03/2020**	**31/03/2019**
26	Revenue From Operations	Aluminium Products	1,010	232
26	Revenue From Operations	Copper and Copper Products	2	(400)
26	Revenue From Operations	Precious Metals	(116)	40
36	Other Expenses	Gain/(Loss) on Derivatives	2	-
			898	**(128)**

(H) The adjustment as a part of the carrying value of inventories arising on account of fair value hedges is as follows:

Increase/ (Decrease) in Inventory Value

₹ in Crore

	Year ended					
	31/03/2020			31/03/2019		
Inventory Type	Raw Materials	WIP and Finished Goods	Total	Raw Materials	WIP and Finished Goods	Total
Copper	(501)	-	(501)	251	-	-
Gold	(7)	6	(1)	(2)	-	-
Silver	(7)	(43)	(50)	(1)	-	-
	(515)	**(37)**	**(552)**	**248**	**-**	**-**

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(I) The Company's hedging policy only allows for effective hedge relationships to be established. The effectiveness portion of hedge is recognised in OCI, while ineffective portion of hedge is recognised immediately in the statement of profit and loss. The Company uses hypothetical derivative method to assess effectiveness. Ineffectiveness may arise on account of differences in critical terms and credit risk of the hedging instrument and the hedged item.

The amount of gain/ (loss) recognised in the statement of profit and loss on account of hedge ineffectiveness is as follows:

₹ in Crore

	Year ended	
Type of Hedges	**31/03/2020**	**31/03/2019**
Cash Flow Hedges	(113)	(36)
Fair Value Hedges	(12)	-
	(125)	**(36)**

51. Leases

A. Lease liabilities

₹ in Crore

	As at			
	31/03/2020		31/03/2019	
	Non- Current	Current	Non- Current	Current
Lease liabilities against ROU assets	241	76	-	-
	241	76	-	-

B. Transition Disclosures for Ind AS 116

Effective April 1, 2019 the Company has adopted Ind AS 116 Leases using modified retrospective approach in accordance with the modified retrospective transition method, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 116 has the following impact.

(i) Lease Liabilities Reconciliation

₹ in Crore

Particulars	Amount
Total Operating lease commitments disclosed on 31/03/2019	**87**
Effect of discounting	(17)
Finance lease liabilities as on 31/03/2019	33
Adjustments as a result of a different treatment of extension and termination option	127
Lease commitments not included in opening	75
Total Lease Liabilities as at 01/04/2019	**305**

Effect of change in accounting policy on the Financial Statements

(ii) Impact on Financial Statements

₹ in Crore

Particulars	Increase/ (Decrease)	Amount
Property, Plant and equipment	(Decrease)	(19)
Capital Work-in-Progress	(Decrease)	(2)
Right of Use assets	Increase	877
Other Non-Financial Assets	(Decrease)	(600)
Total		**256**

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₹ in Crore

Particulars	Increase/ (Decrease)	Amount
Lease Liabilities	Increase	305
Long-term Borrowings	(Decrease)	(33)
Other Financial Liabilities	(Decrease)	(2)
Retained Earnings #	(Decrease)	(14)
Total		**256**

Deferred Tax Impact recognised in Retained Earnings on transition date is ₹ 5 Crore, refer Note 22.

(iii) The Company recognized ROU assets for the following asset categories:

₹ in Crore

Right of Use Assets Category	Amount
Land	712
Buildings	70
Plant and Machinery	6
Vehicles and Aircraft	8
Railway Wagons	41
Railway Sidings	21
Total	**858**

(iv) The Company has reclassified Finance Lease Assets from property, plant and equipment to Right of use assets pursuant to adoption of Ind AS 116.

₹ in Crore

Particulars	As at 31/03/2019		
	Original Cost	Accumulated Depreciation	Carrying Value
Leased Plant and Machinery	50	38	12
Leased Furniture and Fixtures	10	3	7
Total	**60**	**41**	**19**

(v) On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 8.94%.

(vi) Practical expedients used by the entity in adoption of Ind AS 116

(a) The Company has not re-assessed whether a contract is or contains a lease at the date of initial application.

(b) The Company has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.

(c) Except for land leases, initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.

(d) The Company has used a single discount rate to a portfolio of leases with reasonable similar characteristics based on the remaining lease term as at the date of initial application.

(e) The Company has relied on its previous assessment on whether leases are onerous.

The Company has carried forward the amount of the Finance Lease Assets (reclassified as ROU asset) and Lease Liability recognized under Ind AS 17 immediately before the date of initial application.

(vii) The operating cash flows for the year ended March 31, 2020 has increased by ₹ 77 Crore and the financing cash flows have decreased by ₹ 77 Crore as repayment of lease liabilities and related interest has been classified as cash flows from financing activities.

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(viii) The Company leases land, buildings including storage premises, plant and machinery (including material handling equipment), vehicles and aircrafts certain furniture and fixtures, office equipment.

(ix) The Company has applied IndAS 116 using Modified Approach, with the cumulative effect of initially applying the new standard recognized at the date of initial application in the following manner:

Leasehold Land and Railway Sidings – recognized ROU asset at an amount equal to the lease liability (discounted using the Company's incremental borrowing rate at the date of initial application based on the remaining lease term as at the date of initial application), adjusted by the amount of prepayments relating to that lease recognized in the balance sheet immediately before the date of initial application.

Other Assets – recognized ROU assets at its carrying amount as if the standard had been applied since the commencement date but discounted using the Company's incremental borrowing rate at the date of initial application based on the remaining lease term as at the date of initial application.

C. Operating Lease Disclosures under earlier Ind AS 17

The Company has entered into various leasing arrangements under operating lease:

(a) As a Lessee

The Company has entered in operating leases for land, material handling facilities, storage, rental premise contracts under both cancellable and non-cancellable in nature. The rent for cancellable and non-cancellable operating leases included in the statement of profit and loss for the year ended 31/03/2019 ₹ 91 Crore.

₹ in Crore

	As at 31/03/2019
Details of future minimum lease payments	
Future aggregate minimum lease payment under Non-cancellable Operating Leases:	
No later than 1 year	18
Later than 1 year and no later than 5 years	47
Later than 5 years	22
	87

(b) Operating Lease as Lessor

The Company has entered into operating leases for certain of its premises. All of these leases are cancellable in nature (Refer Note 27).

52. There was an incident in Red Mud (Bauxite Residue) storage area connected to the Alumina plant situated at Muri, Jharkhand, on April 9, 2019. The incident involved a spillage in the red mud cake storage area. The operations of the plant remained suspended following the incident. The unit is in the business of producing and supplying Aluminium Hydrate, primarily to Aluminium smelters of the Company for captive consumption. The operation of the plant remained suspended till December 23, 2019. There was no material impact.

53. COVID-19 Impact on the Financial Statement

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Certain plants of the Company which had shut down operations during lock down period have since resumed operations in a phased manner.

The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Intangible assets, Trade Receivables, Inventory, investments, other current and non-current assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the stand-alone financial statements.

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Management believes that it has taken into account all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the stand-alone financial statements. Management is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operations, if any, arising from COVID-19 pandemic is not expected to be significant. The impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

54. Note on acquisition of Aleris Corporation (Aleris)

On April 14, 2020, the Company completed the acquisition of Aleris Corporation (Aleris), a global supplier of rolled aluminium products through its wholly owned subsidiary Novelis in USA for payments made or to be made of ₹ 21,575 Crore ($2.8 Billion). By virtue of this acquisition, Aleris has now become a wholly owned subsidiary of Novelis, USA.

As a result of the antitrust review processes required for approval of the acquisition, the Company is obligated to divest Aleris' European and North American automotive assets, including its plants in Duffel, Belgium (Duffel) and Lewisport, Kentucky (Lewisport).

In November 2019, the Company entered into a definitive agreement with London based Liberty House GHG (Liberty), for the sale of Duffel, which remains subject to approval from the State Administration for Market Regulation in China (SAMR) though we received conditional antitrust approval from SAMR in December 2019.

On March 9, 2020, the arbitrator assigned to resolve the dispute ruled in favour of the United States Department of Justice (DOJ). As a consequence of that ruling, we are now required to divest Lewisport, and we are currently in discussions with the DOJ regarding the allowed timeframe to consummate this sale.

Once a buyer for Lewisport has been identified, completion of the divestiture will be conditioned on the receipt of required regulatory approvals and will be subject to other customary closing conditions. Although the Company believes that the Lewisport asset group is marketable in its current condition and we intend to run a competitive sales process, there is no assurance that it will be possible to fully recover the investment made by the Company in these assets. In addition, in light of current adverse market conditions, the Company may not be able to complete the divestiture of Lewisport on favourable terms, in a timely manner, or at all. Delays or difficulties in divesting Duffel or Lewisport may result in additional expenditures of funds and management resources which would reduce the financial benefit that is expected from acquisition of Aleris and could have an adverse effect on the financial condition, results of operations and cash flows.

The Company is legally required to hold Duffel and Lewisport assets separately from the rest of Aleris assets and maintain them as viable and competitive till the sales are completed.

Presently, Novelis is in the process of finalizing the accounting for acquisition of Aleris, including allocation of purchase consideration to identifiable assets and liabilities.

55. Gare Palma IV/4 (GP-4) and Gare Palma IV/5 (GP-5) coal mines were acquired by the Company through auction conducted by the Nominated Authority (NA) constituted under the Ministry of Coal, Government of India. The Company was required to achieve certain Efficiency Parameters and reach their Peak Rated Capacity (PRC) during 2015-16. Performance Security in the form of Performance Bank Guarantees (PBG) of ₹ 318 Crore and ₹ 369 Crore for GP-4 and GP-5, respectively, were provided by the Company to NA in this regard.

Due to the various delays on the part of NA, PRC was achieved by the Company for both the mines during FY 2016-17. Having satisfied itself about achievement of Efficiency Parameters/PRC, NA returned the PBG in respect of GP-4 on June 19, 2017. However, in a volte face action, vide a letter dated 25th April, 2018, NA imposed a penalty equal to 20% of PBG amounting to ₹ 64 Crore for GP-4 and ₹ 74 Crore (refer Note 10) for GP-5. As the PBG for GP-5 was still with NA, it also appropriated an amount equal to the penalty from the PBG.

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The above actions were contested by the Company and the Hon'ble Chhattisgarh High Court at Bilaspur has already given its judgment in favour of the Company in the matter related to GP-5. As per the judgment, Hon'ble High Court has asked NA to refund the amount apportioned by them and return the PBG to the Company. The Company's appeal to quash the demand raised by NA in case of GP-4 is yet to be decided and is pending before the Mines Tribunal.

The Company further received two Show-Cause Notices dated December 3, 2019 from NA for shortfall in production of coal at the above mines for FY 2017-18 and FY 2018-19 compared to their respective mining plans. Through these notices, the NA has asked the Company to show cause why action should not be taken against the Company for recovery of an amount equal to the appropriation amount for the said defaults provided in Clause 6.3 and 10.3 of the Coal Mine Development and Production Agreement.

The Company has furnished its replies to both the notices vide letters dated December 17, 2019 contesting that the NA has no right under the aforesaid clauses to recover any amount from the Performance Security.

The NA has neither issued any further letter to the Company nor raised any demand against the Company in this regard.

56. Additional Information

A. As per Section 135 of Companies Act, 2013, a Corporate Social Responsibility Committee has been formed. As per the provisions of Companies Act 2013, amount not less than ₹ 38 Crore (year ended 31/03/2019 ₹ 30 Crore) should have been incurred during the year under CSR. The Company has incurred cash expenses amounting to ₹ 39 Crore (year ended 31/03/2019 ₹ 34 Crore), in line with the CSR policy which is in conformity with the activities specified in Schedule VII of the Companies Act 2013.

B. Details of loans given, investments made and guarantee given covered under Section 186(4) of the Companies Act, 2013:

i. Details of investments made have been given as part of Note '5' Investments in Subsidiary, Note '6' Investments in Associates and Notes '7A and 7B' Other Investments.

ii. Loans and Financial Guarantees given below:

₹ in Crore

Name of the Company	Relationship	Nature of Transaction	As at 31/03/2020	As at 31/03/2019
Details of Loans				
Aditya Birla Science and Technology Company Private Limited	Associate	Loan	46	51
Suvas Holding Limited	Subsidiary	Loan	9	11
Details of Guarantee				
Dahej Harbour and Infrastructure Limited	Subsidiary	Performance Guarantee	5	5

iii. Disclosure relating to amount outstanding at year end and maximum outstanding during the year of loans and advances, in nature of loan, required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given below:

₹ in Crore

Name of the Company	As at 31/03/2020	Maximum Outstanding during 2019-20	As at 31/03/2019	Maximum Outstanding during 2018-19
Associates:				
Aditya Birla Science and Technology Company Private Limited	46	51	51	51
Suvas Holdings Limited	9	11	11	11

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57. Figures for the previous year have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation.

As per our report annexed.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009

Sumit Seth
Partner
Membership Number: 105869

For and on behalf of the Board of Hindalco Industries Limited

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

Satish Pai
Managing Director
DIN-06646758

Anil Malik
Company Secretary

K N Bhandari
Director
DIN-00026078

Place : Mumbai
Dated : June 12, 2020

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