

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UFLEX LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Uflex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Cash Flow Statement for the year then ended, notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the Financial Year ended March 31, 2021. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated, vide this report:

Key Audit Matter	Auditor's Response
<p>Capitalisation and useful life of Property, Plant and Equipment (PPE)</p> <p>During the year ended March 31, 2021, the Company has incurred capital expenditure on various projects included in Capital Work-in-progress and intangible assets under development. Further, items of PPE that are ready for its intended use as determined by the management have been capitalised in the current year. Judgement is involved to determine that the aforesaid capitalisation meet the recognition requirement under Ind AS - 16 on 'Property, Plant and Equipment', specifically in relation to determination of whether the criteria for intended use as determined by the management has been met.</p> <p>Further, the Company has assessed the useful life of some of its plant and machinery different from useful life mentioned in Schedule-II of the Companies Act, 2013. Assessment of useful life of plant and machinery involves management judgement, technical assessment, consideration of historical experiences, anticipated technological changes, intended use and expected number of shifts PPE will be used etc..</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> Examined the management assessment of the assumptions considered in estimation of technical useful life based on technical evolution; Examined the useful economic lives with reference to the Company's historical experience, intended use and expected number of shifts PPE will be used and Assessed the nature of the additions made to PPE, intangible assets, Capital Work-in-progress and intangible asset under development on a test check basis to test whether they meet the recognition criteria as set out in Ind AS - 16 on 'Property, Plant and Equipment' and Ind - AS 38 on 'Intangible Assets'.

Key Audit Matter	Auditor's Response
<p>Revenue Recognition</p> <p>The Company's contracts with customers include contracts encompassing multiple products and services. The Company derives revenues from flexible packaging activities, Engineering activities and related activities. The Company assesses the activities promised in a contract and identifies distinct performance obligations in the contract, where applicable. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluated the detailed analysis performed by those charged with governance and those acting on their directions, on revenue streams; • Evaluated the appropriateness of the disclosures provided under the Ind AS - 115 on 'Revenue from Contracts with Customers' and assessed the completeness of the relevant disclosures; • Evaluation and testing of the design and operating effectiveness of the relevant business process controls, inter-alia controls over the capture, measurement, and authorisation of revenue transactions ; • Evaluated the agreements with the customers to identify the distinct performance obligations, where applicable, the transaction price, and its allocation to the performance obligations in the contract, and the classification of the contract for the basis of revenue recognition in accordance with Ind AS - 115 and • Evaluated the treatment accorded and disclosures by the company for sales returns, trade discounts, rate differences, volume rebates and other factors, having bearing on revenue recognition.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and its Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;

- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197, read with Schedule V of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Refer Note No. 33(A) & 33(C) to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses and;
 - iii. According to the information and explanations given to us, there was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



For KAAP & Associates,
Chartered Accountants
ICAI Firm's Regn. No.: 019416N

CA. Deepak Sehgal
Partner

Membership No. 085391
UDIN: 21085391AAAAAG8113

Place : NOIDA,
Dated : June 29, 2021

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our report to the members of Uflex Ltd. ("the Company"), of even date)

1. In respect of Fixed Assets (Property, Plant and Equipment, Capital Work in Progress, Investment Property and Other Intangible Assets, including those under development) of the Company:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification;
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The inventory has been physically verified during the year by the management, at reasonable intervals and the discrepancies noticed on such physical verification of inventory, as compared to book records were not significant and were properly dealt with in the books of account.
3. In respect of interest-bearing unsecured loans granted, during the year, by the Company to its Indian Subsidiary, covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act") :
 - a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are prima-facie, not prejudicial to the interest of the Company;

CIN: L74899DL1988PLC032166

- b) The terms for repayment of principal and payment of interest have been stipulated; however, repayment of principal amount and interest has not started till the date of the Balance Sheet, as per the stipulated terms;
- c) There is no overdue amount, in respect of both principal and interest.

Further, in respect of interest-bearing unsecured loans granted to: (i) The Indian Subsidiary, as referred above, outstanding at the beginning of the year, principal, along with interest, has been recovered during the year, as per modified terms, which were, prima-facie, not prejudicial to the interest of the Company and (ii) A Joint venture entity, outstanding at the beginning of the year, terms of repayments have been modified, which are, prima-facie, not prejudicial to the interest of the Company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made, guarantees given and securities provided.
5. The Company has not accepted any deposits, under the provisions of Sections 73 to 76 or any other relevant provisions of the Act, and the rules framed there under during the year under report.
6. We have broadly reviewed the cost records maintained by the Company under Section 148(1) of the Act and are of the opinion that prima- facie the prescribed records have been made and maintained
7. In respect of Statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Custom Duty, Goods and Services Tax (GST), Cess and other applicable statutory dues have been generally deposited regularly with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no dues of custom duty, which have not been deposited on account of any dispute. However, following amount are involved (Gross of amount deposited under protest, if any) with under-mentioned forums, in respect of the disputed statutory dues:

Name of Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which it pertains (all or some years, in case of block)	Forum where dispute is pending
The Central Sales Tax Act, 1956 and concerned Value Added Tax Laws	Sales tax and VAT	775.20	AY 2008-09 and AY2010-11	High Courts
		215.97	AY 2009-10 to AY 2015-16	Tribunal
		56.44	AY 2015-16 and AY 2016-17	Appellate Authority
		318.73	AY 2015-16 and AY 2017-18	DC (Appeal)
Total		1366.34		
The Income-tax Act, 1961	Income-tax	80.31	AY 2002-03 and AY 2003-04	High Court
		873.32	AY 2004-05 to AY 2013-14	ITAT
		68.91	AY 2016-17	CIT(A)
		116.94	AY 2017-18	Assessing Authorities
Total		1139.48		
The Central Excise Act, 1944	Excise Duty	2003.51	2012-13 to 2015-16	Tribunal
		2425.16	1997-98 to 2016-17	Commissioner (Appeals)
		339.93	1997-98 to 2017-18	AC/DC/JC
		50.76	1998-99 to 2006-07	High Court
		7.73	1996-97	Supreme Court
Total		4827.09		
The Finance Act, 1994	Service Tax	54.86	2006-07	Commissioner (Appeals)
		6.34	2006-07	AC/DC
Total		61.20		
Laws on Goods and Services Tax	Goods and Services Tax	29.69	2017-18 to 2019-20,	JC/ADC(A)
Total		29.69		

8. Based on the audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks and financial institution and has

availed the relaxation provided by the Reserve Bank of India, on deferment of installments (including interest) of all loans outstanding as of March 01, 2020, for a period of six months from March 01, 2020, to August 31, 2020. Also, the Company, does not have any loans and borrowings from government and has not issued any debentures.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year have been applied for the same purpose for which the loans were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Standalone Financial Statements, as required by the applicable Ind AS.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For KAAP & Associates,
Chartered Accountants
ICAI Firm's Regn. No.: 019416N

CA. Deepak Sehgal
Partner

Place : NOIDA,
Dated : June 29, 2021

Membership No. 085391
UDIN: 21085391AAAAAG8113

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Uflex Ltd. ("the Company") of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Uflex Limited ('the Company') as of March 31, 2021, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the 'Guidance Note'), issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

CIN: L74899DL1988PLC032166

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with the Ind AS and other accounting principles generally accepted in India. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with the Ind AS and other accounting principles generally accepted in India and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For KAAP & Associates,
Chartered Accountants
ICAI Firm's Regn. No.: 019416N

CA. Deepak Sehgal
Partner

Place : NOIDA,
Dated : June 29, 2021

Membership No. 085391
UDIN: 21085391AAAAAG8113