



INDEPENDENT AUDITOR'S REPORT

To the Members of Jindal Poly Films Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Jindal Poly Films 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 and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Matter

Owing to the COVID-19 related lock-down, we were unable to participate in physical verification of inventories carried out by the management at the year-end. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per guidance provided by SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matter	Auditor's Response
1.	<p>Valuation of inventories</p> <p>We refer to Note 8 and 2 (p) to the financial statements. As at March 31, 2021, the total carrying amount of inventories was Rs. 70,093.52 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>How our audit addressed the key audit matter:</p> <p>We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the key management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date.</p> <p>Our Observations: We found management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence</p>



S.N.	Key Audit Matter	Auditor's Response
2.	<p>Valuation of Current and Non-Current Investments</p> <p>Investments As disclosed in Note 4 &9 to the financial statements. As at March 31, 2021, the total carrying amount of total investments were Rs. 45,280.90 Lakhs. Investments mainly includes mutual funds. Fair valuation of unquoted current investments involves significant estimation uncertainty, subjective assumptions and the application of significant judgment. This was an area of focus for our audit and the area where significant audit effort was directed.</p>	<p>How our audit addressed the key audit matter:</p> <p>Our audit procedures included updating our understanding of the processes employed by the Company for accounting and valuing their investments. We have reviewed year end confirmation of mutual fund and depository participants. We have verified that the Company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included reviewing valuation of all Investments held at March 31, 2021. We have reviewed that investments, where probability of realization is very low, should not be carried forward.</p> <p>Our Observation: Based on the audit procedures performed we are satisfied with existence and valuation of investment at March 31, 2021.</p>

Other Information

The Company's Board of Directors are responsible for 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. The annual report is expected to be made available to us after the date of our audit report. 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

The 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, 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 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 period 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "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, 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 Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;
 - (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;

**JINDAL POLY FILMS LIMITED**

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report;
- (g) In our opinion, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of section 197 (16) 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 40.1 to the standalone financial statements;
 - ii. The Company has made provision for material foreseeable losses on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN:21088926AAAAGV7877

Place: Noida (Delhi-NCR)
Date: May 28, 2021

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Jindal Poly Films Limited)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment except in case of lands which is in process of reconciliation with title deeds (Registry documents).
- b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature its property, plant and equipment. However, physical verification of property, plant & equipment was not conducted during the year as required under the programme.
- c. The title deeds of all the immovable properties included under the head ‘Property, plant and equipment’ are held in the name of the Company except free hold land (to the extent reconciled) having gross value of Rs. 45.70 lakhs for which registration in the name of the company is pending. Further lands are in process of reconciliation with title deeds (Registry documents). In view of pending reconciliation of lands, we are not in position to comment whether or not all lands are register in the name of the Company.
- (ii) The management has conducted physical verification of inventories except stock in transit during the year at reasonable interval and no material discrepancies were noticed on such physical verification.
- (iii) The Company has granted unsecured loans during the year to two companies covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loans are not, prima facie prejudicial to the interest of the Company. The Company has stipulated schedule of repayment of principal and payment of interest and repayment of principal and interest are regular, wherever applicable. The Company has not granted any loan to Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of loan granted and investments made during the year. There is no loan granted or guarantee or security provided under section 185 and no guarantee or security provided under section 186 of the Companies Act, 2013 during the year.
- (v) The Company has not accepted any deposit covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause



3(v) of the Order are not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues where applicable, with the appropriate authorities. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.
- b. According to the records of the Company and information and explanation given to us, there are no dues outstanding of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax on account of any dispute, other than the followings:

Name of Statute	Nature of Dues	Period to which it relates	Amount	Forum where dispute is pending
			(Rs. in Lakhs)*	
The Income Tax Act, 1961	Disallowance of expenses and other deductions	1993-1994	52.60	ITAT- Delhi
	Disallowance of expenses and depreciation	1999-2000	391.45	CIT(A)- Ghaziabad
	Disallowance of expenses	2006-07 to 2009-10	68.57	ITAT- Delhi
	Disallowance of expenses	2016-17	1309.66	CIT(A)- 22 Delhi
	Addition on account of unexplained credit u/s 68	2012-2013	289.52	CIT(A)- 22 Delhi
	Disallowance u/s 14A	2014-2015	28.11	CIT(A)- 22 Delhi
	Disallowance u/s 14A and other expenses	2017-2018	1,385.24	CIT(A)- 22 Delhi
Sales Tax Act	Purchase against Form A disallowed	2005-06	2.41	Sales Tax Tribunal, Nasik
The Central Excise Act, 1944	Duty on Import of secondhand machinery	2002-03	366.00	Hon'ble Supreme Court
	Duty on Supply of materials	2002-03	6.60	Commissioner, Nashik
	Disallowance of Cenvat Credit	2012-13	124.99	CESTAT, Mumbai
	Disallowance of Cenvat Credit on Commission	2015-16	473.05	Commissioner, Nashik
The Custom Act, 1962	Import of Spare parts under EPCG Licence	Mar,2006	26.46	Commissioner, Delhi
		Jun,2003-May,2008	82.57	CESTAT, Mumbai
		Spet,2006 - Dec,2008	85.56	CESTAT, Mumbai
The CGST Act,2017	Disallowance of Rebate	2013-2014 to 2017-18	438.99	CGST, Delhi
	Exemption from Additional Duty of Custom (equivalent to GST) availed on import of the raw materials not allowed	Nov. 2017 to Feb. 2018	106.27	Directorate of Revenue Intelligence, Kolkata

* Net of deposit.

- (viii) The Company has not defaulted in repayment of dues to banks and financial institution. The Company did not have any borrowing from Government and dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans raised during the year were applied for the purpose for which loans were raised.

**JINDAL POLY FILMS LIMITED**

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) 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, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given by the management and based on our examination of the records of the Company, transactions with the related parties as identified by the management are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Place: Noida (Delhi-NCR)
Date: May 28, 2021



Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN:21088926AAAAGV7877

Annexure B referred to in paragraph 2(f) of our report of even date on the other legal and regulatory requirements

Report on the Internal Financial controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Jindal Poly Films 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 the 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 issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

Meaning of Internal Financial controls with reference to financial statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control with reference to financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of 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 financial statements.

Inherent Limitations of Internal Financial controls with reference to financial statements

Because of the inherent limitations of Internal Financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements 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 issued by the Institute of Chartered Accountants of India however same need to be further strengthened.

Emphasis of Matter

We draw attention that the Company has defined risk control matrix of various process basis Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India but the same is required to be further strengthened by incorporating more controls related to entity level controls, process level controls and controls related to financial statements review and closure process.

Our opinion under Section 143(3)(i) of the Act is not modified in respect of above matter.

Explanatory Statement

The weakness in operating effectiveness of internal financial control system as stated in 'Emphasis of Matter, was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 standalone financial statements of the Company and this report does not affect our report dated May28, 2021, which expressed an unqualified opinion on those standalone financial statements.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN:21088926AAAAGV7877

Place: Noida (Delhi-NCR)
Date: May 28, 2021