



# UBS & Company

Chartered Accountants

F-10, Manish Twin Plaza,  
Plot No. 3, Sector-IV, Dwarka,  
New Delhi-110 078  
Tel : (011) 45621780  
E-mail : bhimca@hotmail.com

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**JINDAL POLY INVESTMENT & FINANCE COMPANY LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **JINDAL POLY INVESTMENT & FINANCE COMPANY LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Emphasis of Matter

We draw attention to the following notes to the financial statements :

Note 12, relating to the scheme of Demerger & vesting of demerged undertaking and arrangement sanctioned by the Allahabad High Court on 16<sup>th</sup> May 2013. The certified copy of the court is awaited, on receipt of which the company will initiate requisite formalities to give effect to the scheme. Accordingly therefore, the accounting treatment laid out in the scheme and consequential adjustments that would arise will be dealt with by the company in the financial statements, once the scheme is implemented.

Our opinion is not qualified in respect of these matters.

## Report on Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For UBS & COMPANY  
Chartered Accountants  
FRN: 012351N



*B.A.S.*  
BhimrajAgarwal  
(Partner)  
Membership No. : 090909

Place : New Delhi

Date : 29/05/2013

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of JINDAL POLY INVESTMENT & FINANCE COMPANY LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a. The Company has no fixed assets, hence clause 4(ia), (b), (c) of the Order are not applicable to the Company.
2. The Company has no inventories, hence, the provisions of clauses 4(ia),(b) & (c) of the Order are not applicable to the Company.
3. a. The Company has not granted or taken any loan to or from any party covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clause 4(ia)(b), (c), (d) and (e) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control/ procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us, there is no such transaction that need to be entered into the register maintained under section 301 of the Companies Act and hence provisions of clause 4(v) of this Order is not applicable to the Company.
6. As per explanations and information given to us, the Company has not accepted or renewed deposits from public during the year, hence the provisions of clause 4(vi) of this Order is not applicable to the Company.
7. The Company is not a listed company or having paid up capital and reserves exceeding Rs. 50 lakhs. or turnover exceeding five crores rupees, hence the provision of clauses 4(vii) of the Order relating to internal audit is not applicable to the Company.
8. The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for the industries the Company belong to.
9. According to the information and explanations given to us, in respect of statutory dues and other dues
  - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues, including Provident fund, investor education protection fund, employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, cess and other material statutory dues applicable to it.
  - b. No undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax and cess were in arrears as on 31, March 2013 for period of more than six months from the date they became payable.
  - c. According to the information and explanation given to us, there are no disputed statutory dues, which have not been deposited.



10. As the Company is registered for a period of less than five years, hence clause 4(x) of the Order is not applicable to the Company.
11. The Company has not borrowed monies from any financial institution, bank or debenture holder, hence the clause 4(xi) of the Order is not applicable to the Company.
12. The company has not granted loan or advances to any person; as such the clause is not applicable.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of Companies that proper records have been (Auditors' report) Order, 2003 are not applicable to the company.
15. We have been informed that the company has not given any guarantee for loans taken by others from bank or financial institution; as such the clause 4(xv) is not applicable.
16. We have been informed that the company has not obtained term loans; as such the clause 4(xvi) is not applicable.
17. According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of equity shares during the year, hence, this clause is not applicable to the Company.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
20. The company has not made any public issue; as such the clause 4(xx) is not applicable.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.



**For UBS & COMPANY,**  
**Chartered Accountants**  
**FRN No.: 012351N**

**(Bhimraj Agarwal)**  
**Partner**  
**M.N. 090909**

**Place: New Delhi**  
**Date: 29/05/2013**

# JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at 31.03.2013	
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	500,000	
(b) Reserves and Surplus	2	(247,939)	252,061
<b>(2) Current Liabilities</b>			
(a) Trade payables	3	11,236	11,236
<b>TOTAL</b>			<b>263,297</b>
<b>II. ASSETS</b>			
<b>(1) Current Assets</b>			
(a) Cash and Cash Equivalents	4	249,797	
(b) Other Current Assets	5	13,500	263,297
<b>TOTAL</b>			<b>263,297</b>

Significant Accounting Policies

8-17

As per our report of even date annexed

for UBS & Company

Chartered Accountants

For & On Behalf of the Board



(Bhimraj Agarwal)

Partner

Membership No.090909




(R.B. Pal)

Director



(V.K. Gupta)

Director

Place: New Delhi

Dated: 29-May-2013

**JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED**

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

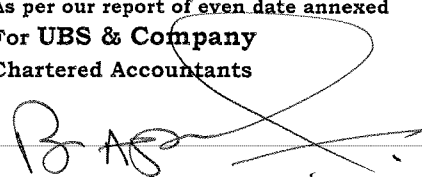
	Particulars	Note No.	For Year Ending 31.03.2013	
			Rs.	Rs.
I.	Revenue from Operations			-
II	Other Income			-
III	<b>Total revenue (I + II)</b>			-
IV	Expenses			
	Other Expenses	6		247,939
	<b>Total Expenses</b>			<b>247,939</b>
V	Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			(247,939)
VI	Exceptional Items			-
VII	Profit/(Loss) before extraordinary items and tax (V-VI)			(247,939)
VIII	Extraordinary Items			-
VII	Profit before tax (VII-VIII)			<b>(247,939)</b>
X	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI	Profit/(Loss) for the period from continuing operations (VII-VIII)			<b>(247,939)</b>
XII	Profit/(loss) from discontinuing operations			-
XIII	Tax expense of discontinuing operations			-
XIV	Profit/(loss) from discontinuing operations (after tax) (XII-XIII)			-
XV	Profit/(Loss) for the period (XI + XIV)			<b>(247,939)</b>
X	Earning Per Equity Share: (Basic/Diluted)	7		(4.96)

**Significant Accounting Policies**

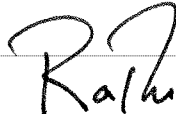
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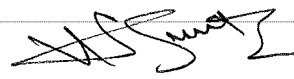
As per our report of even date annexed  
**For UBS & Company**  
 Chartered Accountants

For & On Behalf of the Board

  
 (Bhimraj Agarwal)  
 Partner  
 Membership No.090909



  
 (R.B. Pal)  
 Director

  
 (V.K. Gupta)  
 Director


Place: New Delhi  
 Dated: 29-May-2013

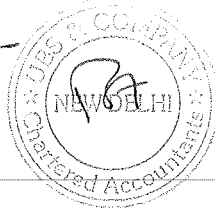
**JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**


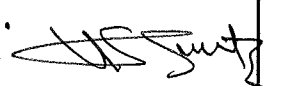
Particulars	For Year ended 31.03.2013	
	Rs.	Rs.
<b>Cash flows from operating activities</b>		
Profit before taxation		(247,939)
Adjustments for:		
Depreciation and amortization expense		-
		(247,939)
(Increase)/ decrease in current assets	(13,500)	
(Increase)/ decrease in inventories	-	
Increase/ (decrease) in Trade Payables	11,236	
		(2,264)
Income taxes paid		(250,203)
<i>Net cash from operating activities</i>		(250,203)
<b>Cash flows from investing activities</b>		
Purchase of investments	-	
Proceeds from sale of investments	-	
<i>Net cash from investing activities</i>		-
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	500,000	
<i>Net cash from financing activities</i>		500,000
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>249,797</b>
Cash and cash equivalents at beginning of reporting period		-
Cash and cash equivalents at end of reporting period		<b>249,797</b>
<b>Cash &amp; Cash equivalents:</b>		
<b>Bank Balance in Current Account</b>		<b>249,797</b>

As per our report of even date annexed  
**For UBS & Company**  
 Chartered Accountants

  
 (Bhimraj Agarwal)  
 Partner  
 Membership No.090909



For & On Behalf of the Board

   
 (R.B. Pal) (V.K. Gupta)  
 Director Director

Place: New Delhi  
 Dated: 29.05.2013



**JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

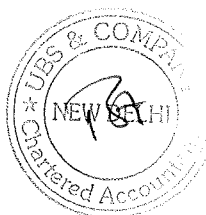
Notes	Particulars	As at 31.03.2013	
		Number	Rs
1	<b>Share Capital:</b>		
	<b>Authorized:</b>		
	2000000 Equity shares of Rs.10 /- each	2,000,000	20,000,000
		2,000,000	20,000,000
	<b>Issued, Subscribed and Fully Paid Up:</b>		
	50000 Equity shares of Rs.10 /- each		
	At the beginning of the reporting period	-	-
	Issued during the reporting period	50,000	500,000
	Bought back during the reporting period	-	-
	At the close of the reporting period	<b>50,000</b>	<b>500,000</b>
	<b>Other Information:</b>		
1	Equity shares include:		
a.	Shares allotted pursuant to a contract without consideration being received in cash.	-	-
b.	Shares allotted by way of bonus shares	-	-
c.	Shares held by the holding company/ultimate holding company/subsidiaries or associates of the holding company/ultimate holding company, in aggregate	50000	500,000
	Equity shares bought back during the five years immediately preceding the date of the balance sheet	-	-
I	Particulars of equity share holders holding more than 5% of the total number of equity share capital:	-	-
a.	Jindal Poly Films Limited	50000	100%



# JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS

Notes	Particulars	As at 31.03.13 (in Rs.)
<b>2</b>	<b>Reserves and Surplus:</b>	
	(i) Profit & Loss Account	
	At the beginning of the reporting period	-
	Transferred from/to Profit & Loss Account	(247,939)
	Proposed Dividends	-
	Provision towards dividend distribution tax	-
	At the close of the reporting period	<b>(247,939)</b>
		-



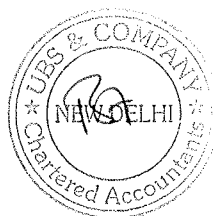
**JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Notes	Particulars	As at 31.03.2013 Rs.
<b>3</b>	<b>Trade payables</b>	
	i) Other	11,236
	<b>Total</b>	<b>11,236</b>
<b>4</b>	<b>Cash and Cash Equivalents:</b>	
	i) Balances with banks - in Current Account	249,797
	iii) Cash in hand	-
	<b>Total</b>	<b>249,797</b>
<b>5</b>	<b>Other Current Assets</b>	
	i) Other	13,500
		<b>13,500</b>
<b>6</b>	<b>Expenses</b>	
	i) Printing & Stationery	8,000
	ii) Rates & Taxes	1,500
	iii) Payment to the Auditors	
	- as auditor	11,236
	- for taxation matters	-
	- for company law matters	-
	- for management services	-
	- for other services	7,304
	- for reimbursement of expenses	-
	iv) Professional Charges	-
	v) Preliminary Expenses W/O	218,230
	vi) Bank Charges	1,669
	<b>Total</b>	<b>247,939</b>



**JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Notes	Particulars	As at 31.03.2013
		Rs.
<b>7</b>	<b>Earnings Per Share:</b>	
	After extraordinary item:	
	Profit for the year after tax expense	(247,939)
	Less:	
	Preference dividend payable including dividend tax	-
		(247,939)
	Weighted average number of equity shares	50,000
	Basic /Diluted Earning per Share	(4.96)
	Before extraordinary item:	
	Profit for the year after tax expense	(247,939)
	Adjustment for	
	Extraordinary item (net of tax)	-
		(247,939)
	Less:	
	Preference dividend payable including dividend tax	-
		(247,939)
	Weighted average number of equity shares	50,000
	Basic /Diluted Earning per Share	(4.96)



**JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED**

**Note**

**8 Significant Accounting Policies**

**a) Basis of Accounting**

The Financial Statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1956 and the Accounting Standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956

**b) Revenue Recognition**

All revenues, costs, duties, assets & liabilities are accounted for on accrual basis.

**c) Taxation**

The current tax payable in respect of taxable income for the year is charged to revenue. The deferred tax if any on timing differences between taxable income and accounting income subject to consideration of prudence has been provided/created.

**d) Investments**

Long term investments are valued at acquisition cost. Diminution in value of long term investment is provided only if such a diminution is other than temporary in the opinion of the management

**e) Miscellaneous Expenditure**

Preliminary expenditures incurred during the year has been transferred in profit & loss account.

f) Other accounting Policies are in accordance with generally accepted accounting principles.

**g) Borrowing Cost**

Borrowing Cost that are directly attributable to the acquisition of assets has been capitalised as part of the cost of the assets up to the date of such assets is ready for its intended use. All other borrowing cost are charged to revenue in the period when they are incurred.

**9 Contingent Liabilities : Nil**

10 There is no liability outstanding as on 31.03.2013 due to Small Scale and medium enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006.

**11 Deffered Tax**

As per the Prudential Policy of Accounting Standard 22 " Accounting of Taxes on Income" issued by the Institute of Chartered Accountants of India, Management is of the view of not to create Deferred Tax Assets on Losses because there is no certainty for future Income.

12 The Board of Directors of the company at its meeting held on 26th November, 2012 passed a resolution for vesting of demerged undertaking (i.e. Investment division) of Jindal Poly Films Limited (the holding company of this company) into the company and accordingly the Company has filed the Scheme of arrangement in the Hon'ble High Court of Allahabad. The Same has been sanctioned on Dt. 16th May, 2013 by Hon'ble High Court of Allahabad. The Company is in the course of receiving the formal order and filing the same with ROC. The effect will be given in the due course, when the same will became effective upon filing the order with ROC.

13 The Company was incorporated on 11th July 2012 hence the account has been prepared for the period 11.07.2012 to 31.03.2013 and this being the first financial year of the company, previous year figure are not applicable.



**JINDAL POLY INVESTMENT AND FINANCE COMPANY LIMITED**

14 Disclosures as required by Accounting Standard-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as follows :

**List of Related Parties**

a) **Holding Company**

1 Jindal Poly Films Limited

b) **Key Managerial Person**

- 1 Mr. V.K. Gupta  
2 Mr. R.B. Pal  
3 Mr. Hemant Sharma

c) **Fellow Subsidiary Company**

- 1 Jindal Metal And Minnig Limited  
2 Jindal Metal & Mining International Limited  
3 Jindal Poly Films Investment Ltd

d) **Details of Transactions with related parties are as follows:**


Transactions	Referred to in a(1) above	Total
	31.03.2013	31.03.2013
Share Capital received	500,000	500,000
Reimbursement of Preliminary Expenses	218,230	218,230

15 Additional Information required under Part-II of Schedule VI of Companies Act, 1956 are not applicable, as the company has not carried on any Commercial Activity

16 Figures have been rounded off to nearest rupee.


17 Notes '1' to '17' are annexed to and form part of Statement of Accounts.


As per our report of even date annexed  
For UBS & Company  
Chartered Accountants

  
(Bhimraj Agarwal)  
Partner  
Membership No.090909



For & On Behalf of the Board

  
(R.B. Pal)  
Director

  
(V.K. Gupta)  
Director

Place: New Delhi  
Dated: 29-May-2013