

S.J.S. Enterprises Private Limited
Statutory Audit For The
Year ended 31 March 2019

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INDEPENDENT AUDITORS' REPORT

To the Members of S.J.S. Enterprises Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of S.J.S. Enterprises Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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. We have nothing to report in this regard.



INDEPENDENT AUDITORS' REPORT (continued)

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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.



INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 auditors' 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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, and statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.



INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements (continued)

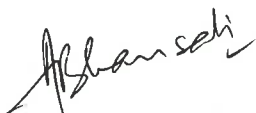
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at 31 March 2019 on its financial position in its financial statements - Refer Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is a Private Limited Company and accordingly the provisions of Section 197 (16) of the Companies Act, 2013 are not applicable to the Company.

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/ W-10002:



Amrit Bhansali

Partner

Membership Number : 065155

Place: Bangalore

Date: 20 June 2019

S.J.S. Enterprises Private Limited

Annexure A to the Independent Auditor's Report

The Annexure referred to in Paragraph 1 in "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report to the members of S.J.S. Enterprises Private Limited ("the Company") for the year ended 31 March 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such 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.
- ii. The inventory, except for goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. According to the information and explanations given to us, we are of the opinion that the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, we are of the opinion that there are no loans, investments, guarantees and securities that have been granted by the Company and hence the provisions of the sections 185 and 186 of the Act are not applicable to the Company. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 or any other relevant provisions of that on the rules framed thereunder. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of the year ended 31 March 2019 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, duty of custom, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been delays in a few cases. As explained to us, the Company did not have any dues on account of duty of excise, service tax, value added tax and sales tax.



S.J.S. Enterprises Private Limited

Annexure A to the Independent Auditor's Report (continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, cess and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, sales tax, service tax, value added tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Nature of statute	Nature of dues	Amount (In Rs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	255,282	2002-2003	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	402,280	2011-2012	Assistant Commissioner, Income Tax
Central Excise Act, 1944	Excise duty	431,271	June 2006 to March 2009	Customs, Excise and Service Tax Appellate Tribunal
Income tax Act, 1961	Income tax	244,920	2014-2015	Deputy Commissioner, Income Tax

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayments due to its bankers during the year. The Company did not have any outstanding debentures or dues to any financial institutions, Government and debenture holders during the year.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company is a private limited company and accordingly the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Thus, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

S.J.S. Enterprises Private Limited

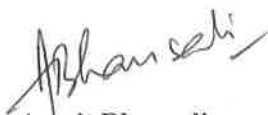
Annexure A to the Independent Auditor's Report (continued)

- xiii. 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 Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provisions of Section 177 to the Act is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year under Section 42 of the Act, has been complied with and the amounts have been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and basis 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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/ W-10002.



Anrit Bhansali

Partner

Membership Number : 065155

Place: Bangalore

Date: 20 June 2019

Annexure B to the Independent Auditors' report on the financial statements of S.J.S. Enterprises Private Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of S.J.S. Enterprises Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' 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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.



Annexure B to the Independent Auditors' report on the financial statements of S.J.S. Enterprises Private Limited for the year ended 31 March 2019 (continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 such internal financial controls, 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 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/ W-10002:



Amrit Bhansali

Partner

Membership Number : 065155

Place: Bangalore

Date: 20 June 2019

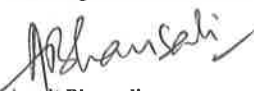
S.J.S. Enterprises Private Limited
Balance sheet

	Note	As at 31 March 2019	As at 31 March 2018
(Amount in Rs)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	30,43,79,040	30,21,89,520
Reserves and surplus	3	1,86,08,59,046	1,47,62,13,508
		2,16,52,38,086	1,77,84,03,028
Non-current liabilities			
Deferred tax liabilities, net	4	3,25,67,531	44,77,509
Long-term provisions	5	-	26,16,657
		3,25,67,531	70,94,166
Current liabilities			
Short-term borrowings	6	23,28,88,965	15,57,02,002
Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises	33	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,76,06,106	17,62,10,208
Other current liabilities	8	7,82,34,351	12,99,90,169
Short-term provisions	9	7,47,07,220	8,47,69,070
		48,34,36,642	54,66,71,449
Total		2,68,12,42,259	2,33,21,68,643
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,21,16,76,494	35,27,46,396
Intangible assets	10	93,54,712	25,63,718
Capital work-in-progress		18,21,842	52,85,03,553
		1,22,28,53,048	88,38,13,667
Long-term loans and advances	11	13,48,18,414	8,51,97,696
Other non current assets	12	1,93,46,692	1,55,10,574
		15,41,65,106	10,07,08,270
Current assets			
Current investments	13	55,03,93,121	55,98,07,409
Inventories	14	24,71,43,314	24,51,61,939
Trade receivables	15	45,83,54,642	48,61,00,130
Cash and bank balances	16	2,90,11,919	2,60,03,195
Short-term loans and advances	17	1,90,68,650	3,03,36,372
Other current assets	18	2,52,459	2,37,661
		1,30,42,24,105	1,34,76,46,706
Total		2,68,12,42,259	2,33,21,68,643

Significant accounting policies

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached:
for **BSR & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022


Amrit Bhansali
Partner

Membership number: 065155
Bangalore
Date: 20/06/2019

for and on behalf of Board of Directors of
S.J.S. Enterprises Private Limited


K A Joseph
Managing Director

DIN : 00784084
Bangalore
Date: 20/06/2019


Kazi Arif Uz Zaman
Director


DIN : 00237331
Bangalore
Date: 20/06/2019

S.J.S. Enterprises Private Limited
Statement of profit and loss


		(Amount in Rs)	
	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME			
Revenue from operations			
Sale of manufactured goods, gross		2,35,79,69,681	2,30,85,89,718
Less: Excise duty		-	6,36,38,037
		<u>2,35,79,69,681</u>	<u>2,24,49,51,681</u>
Sale of Services		1,11,62,848	76,23,657
Other operating revenues	19	34,21,213	30,03,180
Revenue from operations, net		<u>2,37,25,53,742</u>	<u>2,25,55,78,518</u>
Other income	20	3,51,69,083	3,24,27,397
		<u>2,40,77,22,825</u>	<u>2,28,80,05,915</u>
EXPENSES			
Cost of materials consumed	21	94,81,19,049	88,49,15,300
Changes in inventories of finished goods and work-in-progress	22	30,88,376	(4,45,23,439)
Employee benefit	23	32,37,50,888	27,71,57,006
Finance costs	24	1,01,54,398	79,66,076
Depreciation and amortisation	10	8,83,15,557	5,08,45,636
Other expenses	25	44,86,96,737	40,61,65,246
		<u>1,82,21,25,005</u>	<u>1,58,25,25,825</u>
Profit before exceptional items and tax	26	<u>58,55,97,820</u>	<u>70,54,80,090</u>
Exceptional items (refer note 38)		7,32,22,917	-
Profit before tax		<u>51,23,74,903</u>	<u>70,54,80,090</u>
Tax expenses:			
- Current tax		11,93,45,024	24,12,33,821
- Deferred tax charge / (credit)	4	2,80,90,021	(80,85,982)
Profit for the year		<u>36,49,39,858</u>	<u>47,23,32,251</u>
Earnings per equity share (par value Rs 10 each) (previous year Rs 10 each)	32		
- Basic and diluted		12.04	15.72
Weighted average number of equity shares			
- Basic and diluted		3,03,00,534	3,00,41,091
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached:
for **BSR & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022


Amrit Bhansali
Partner
Membership number: 065155
Bangalore
Date:20/06/2019

for and on behalf of Board of Directors of
S.J.S. Enterprises Private Limited


K A Joseph
Managing Director
DIN : 00784084
Bangalore
Date:20/06/2019


Kazi Arif Uz Zaman
Director
DIN : 00237331
Bangalore
Date:20/06/2019

S.J.S. Enterprises Private Limited
Cash flow statement

	For the year ended 31 Mar 2019	(Amount in Rs) For the year ended 31 Mar 2018
Cash flow from operating activities		
Profit before tax	51,23,74,903	70,54,80,090
Interest expense	1,01,54,398	79,66,076
Interest income	(1,95,840)	(26,07,564)
Dividend income	(2,38,03,913)	(2,85,86,160)
Bad debts written off	24,94,995	14,95,206
Loss on sale and written off of property, plant and equipments	28,26,218	25,33,395
Reversal of Provision for bad and doubtful debts	(57,720)	-
Depreciation	8,83,15,557	5,08,45,636
	59,21,08,598	73,71,26,679
Operating cash flows before working capital changes	2,53,08,213	(11,55,48,865)
Changes in trade receivables	(19,81,375)	(7,98,37,403)
Changes in inventories	91,34,922	94,53,043
Changes in short-term and long-term loans and advances	(10,52,95,217)	7,74,14,228
Changes in trade and other payables	51,92,75,141	62,86,07,682
Cash generated from operations	(18,59,94,379)	(25,63,81,627)
Income taxes paid	a	33,32,80,762
Net cash generated from operating activities	33,32,80,762	37,22,26,055
Cash flow from investing activities		
Interest received	1,81,042	1,43,53,979
Sale of property, plant and equipment	19,18,888	10,170
Purchase of property, plant and equipment	(45,46,21,214)	(54,83,43,181)
Maturity of bank deposit (having original maturity more than three months)	4,34,357	18,20,00,000
Dividend received on investment of mutual fund	2,38,03,913	2,85,86,160
Investments in mutual funds	(40,11,73,564)	(47,04,40,686)
Proceeds from sale of mutual funds	41,05,87,853	33,34,64,555
	b	(41,88,68,725)
Net cash used in investing activities	(41,88,68,725)	(46,03,69,003)
Cash flow from financing activities		
Changes in current maturities of long-term debts	-	(21,82,741)
Changes in short term borrowings	7,71,86,963	5,60,16,703
Interest paid	(1,00,51,119)	(79,85,081)
Proceeds from share applications	2,18,95,200	2,18,95,200
	c	8,90,31,044
Net cash generated from financing activities	8,90,31,044	6,77,44,081
Net increase/(decrease) in cash and cash equivalents	a+b+c	34,43,081
Cash and cash equivalents at the beginning of the year	2,55,68,838	4,59,67,705
Cash and cash equivalents at the end of the year (refer note below)	2,90,11,919	2,55,68,838

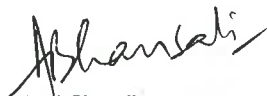
Notes to cash flow statement

Components of cash and cash equivalents:

Cash in hand	1,93,650	4,19,675
Balances with banks		
- on current account	1,93,47,506	1,84,53,527
- on Exchange Earners Foreign Currency (EEFC) account	60,70,763	32,95,636
- on deposit accounts maturing within 3 months	34,00,000	34,00,000
	2,90,11,919	2,55,68,838


The notes referred to above form an integral part of the financial statements.

As per our report of even date attached:
for **BSR & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022



Amrit Bhansali
Partner
Membership number: 065155
Bangalore
Date:20/06/2019

for and on behalf of Board of Directors of
S.J.S. Enterprises Private Limited



K A Josephi
Managing Director
DIN : 00784084
Bangalore
Date:20/06/2019



Kazi Arif Uz Zaman
Director
DIN : 00237331
Bangalore
Date:20/06/2019

S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2019

1. Significant Accounting Policies

Background

S.J.S. Enterprises Private Limited ('the Company') was initially formed as a partnership firm in 1987, and was converted to private limited company in 2005. The company is engaged in the business of manufacturing self-adhesive labels like automotive dials, overlays, badges and logos for the automotive, electronics and appliances industry.

1.1. Basis of preparation of financial statement

These financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles ('Indian GAAP') under the historical cost convention on the accrual basis of accounting. Indian GAAP comprises mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent applicable) and other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), The financial statements are prepared in Indian Rupees and rounded off to the nearest rupee.


1.2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures related to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and, if material, their effects are disclosed in the notes to the financial statements. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life of the fixed tangible assets and intangible assets.

1.3. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably.



S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

Significant accounting policies (continued)

1.3. Revenue recognition (continued)

(i) Sale of goods

Revenue from sale of manufactured goods is recognized on transfer of all the significant risks and rewards of ownership to the customer. The amount recognized as sale is net of goods and service tax, sales returns and trade discounts. Sales are presented both gross and net of excise duty.

(ii) Revenue from services

Revenue from development of design is recognized, on the basis of services delivered and billable to the customers.

(iii) Dividend and Interest

Dividend is recognized when declared and interest income is recognized using the time proportion basis taking into account the amount outstanding and the applicable interest rate.

(iv) Sales of scrap

Revenue from sale of scrap is recognized on transfer of all the significant risks and rewards of ownership to the customer which normally takes place on dispatch of goods. The amount recognized as sale is net of goods and service tax.

1.4. Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and provision for impairment of assets. All cost incurred in bringing the assets to its working condition for intended use have been capitalized. The cost of an item of property, plant and equipment comprises purchase price, import duties, freight, non-refundable duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Spare parts that are held for use in the production or supply of goods or services and are expected to be used during more than a period of 12 months have been capitalized at their respective carrying amount.

Depreciation is provided on the straight-line method over the estimated useful life of each asset as determined by the management.

Based on the internal technical assessment, the management believes that the useful lives as given below, which are different from those prescribed in Part C of schedule II of the Act, best represent the period over which Management expects to use these assets.



S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

1. Significant accounting policies (continued)

1.4. Property, plant and equipment and depreciation (continued)

Management has estimated the useful life of property, plant and equipment as under:

Class of Assets	Estimated useful life (in years)
Building	30
Electrical Installations	10
Plant and machineries	15
Furniture and fixtures	10
Computers	3
Office Equipment	5
Vehicle	8

Leasehold land is amortized over the lease period. Freehold land is not depreciated.

Pro-rated depreciation is provided on all assets purchased or sold during the year.

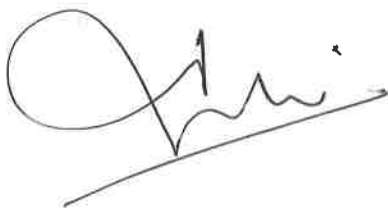
Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under "Long term loans and advances". The costs of the property, plant and equipment, which are not ready for their intended use on such date, are disclosed as capital work-in-progress.

1.5. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulate amortization and impairment. The costs which can be capitalized include the cost of material, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Compute software and technical knowhow is amortized on a straight line method over a period of three years based on Management's assessment of useful life. The amortization period and method used for intangible are reviewed at each period end.

1.6. Borrowing Costs

Borrowing costs are interest and other costs incurred by the Company in connection with borrowing of funds. Borrowing costs directly attributable to the acquisition/construction of the qualifying assets which are incurred during the period less income earned on temporary investment of these borrowings are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.



S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)
Significant accounting policies (continued)

1.7. Impairment of Assets

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized whenever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount, that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in the prior years.

1.8. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The methods of determination of cost of various categories of inventories are as follows:

Raw materials, goods, stores and spares	- Weighted average
Work-in-progress and finished goods (including goods in transit)	- Cost of materials including cost of conversion, where cost of material is determined under weighted average basis.

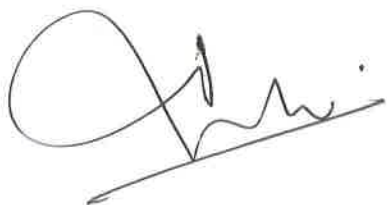
The comparison of cost and net realizable value is made on an item by item basis.

Raw materials held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

Provision for inventory obsolescence is assessed regularly based on estimated usability of the inventories.

1.9. Foreign Exchange

Revenue, expense and cash flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction



S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)
Significant accounting policies (continued)

1.9. Foreign exchange (continued)

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which transaction is settled.

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. The gains or loss resulting from such translations are included in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

1.10. Employee Benefits

The company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit credit method. The Company recognizes the net obligation of the gratuity plan in the balance sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss for the period in which they arise.

Provident Fund

Eligible employees receive benefits from a provident fund, which is contribution benefit plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

Amounts collected under the provident fund plan are deposited in a Government administered Provident Fund Scheme. The company has no further obligation under the provident fund plan beyond its monthly contributions

Other defined contribution plan

Contributions to defined contribution schemes such as employees' state insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.



S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

1. Significant accounting policies (continued)

1.10. Employee Benefits (continued)

Compensated absences

The employee can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on an estimate for unutilized leave considering last drawn salary at balance sheet date.

1.11. Leases

Where the assets are taken on lease

Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

1.12. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.13. Taxation

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. The company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legal enforceable right and where it intends to settle such assets and liabilities on a net basis. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference.



S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2019 (continued)

1. Significant accounting policies (continued)

1.13. Taxation (continued)

The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities has 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 relate to income taxes levied by the same taxation authority. Tax benefits on deductions earned on exercise of employee share options in excess of compensation charged to statement of profit and loss, are credited to the securities premium reserve.

1.14. Earnings per share

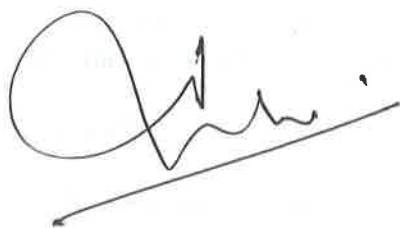
The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The company did not have any potentially dilutive equity shares during the year.

1.15. Cash flow statement

Cash flows are reported using indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

1.16. Cash and cash equivalents

Cash comprises of cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
2. Share capital		
Authorised		
Equity shares		
31,000,000 (previous year: 31,000,000) equity shares of Rs 10 each	31,00,00,000	31,00,00,000
	<u>31,00,00,000</u>	<u>31,00,00,000</u>
Issued, subscribed and paid-up		
Equity shares, fully paid-up		
30,437,904 (previous year: 30,000,000 equity shares of Rs 10 each, fully paid up and 437,904 equity shares of Rs 10 each, Rs 5 paid up) equity share of Rs. 10 each fully paid up.	30,43,79,040	30,00,00,000
	-	21,89,520
	<u>30,43,79,040</u>	<u>30,21,89,520</u>

(a) List of persons holding more than 5 percent shares in the Company:

	As at		As at	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 10 each, fully paid-up				
Evergraph Holdings Pte. Ltd.	2,37,00,000	77.86%	2,37,00,000	77.86%
K.A. Joseph	63,11,960	20.74%	63,11,960	20.74%

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs 10 each, fully paid-up				
Number of shares outstanding at the beginning of the year	3,04,37,904	30,21,89,520	3,00,00,000	30,00,00,000
Add: Preferential allotment, partly paid up	-	21,89,520	4,37,904	21,89,520
Number of shares outstanding at the end of the year	<u>3,04,37,904</u>	<u>30,43,79,040</u>	<u>3,04,37,904</u>	<u>30,21,89,520</u>

(c) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having par value of Rs 10 each. All equity shares carry similar voting rights of 1:1 and similar dividend rights. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Shares held by the holding company, including shares held by subsidiaries or associates of the holding company in aggregate:

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 10 each, fully paid-up				
The holding company:				
Evergraph Holdings Pte. Ltd.	2,37,00,000	77.86%	2,37,00,000	77.86%

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the financial year ended 31 March 2017, the Company has allotted 27,000,000 bonus shares of Rs 10 each at par to all existing shareholders in the proportion of 9 equity shares of Rs 10 each for one equity share held by them by capitalisation of surplus. No shares have been bought back, or issued for consideration other than cash during the five years immediately preceding the financial year other than above.

	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
3. Reserves and surplus		
General reserve		
At the commencement and at the end of the year	88,50,000	88,50,000
Surplus (Profit and loss balance)		
At the commencement of the year	1,44,76,57,828	97,53,25,577
Add: Profit for the year	36,49,39,858	47,23,32,251
At the end of the year	<u>1,81,25,97,686</u>	<u>1,44,76,57,828</u>
Security Premium		
Opening balance	1,97,05,680	-
Collected during the year	1,97,05,680	1,97,05,680
Closing balance	<u>3,94,11,360</u>	<u>1,97,05,680</u>
	<u>1,86,08,59,046</u>	<u>1,47,62,13,508</u>

	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
4. Deferred tax liabilities, net		
Deferred tax assets		
Provision for gratuity	-	9,14,260
Provision for leave encashment	3,02,822	5,48,696
Provision for discount on sale	1,38,98,117	1,52,85,984
Provision for sales returns	21,17,289	29,85,125
Provision for claims	6,40,640	-
Provision for bonus	43,43,401	-
Total (A)	<u>2,13,02,269</u>	<u>1,97,34,065</u>
Deferred tax liabilities		
Property, plant and equipment	5,38,69,800	2,42,11,575
Total (B)	<u>5,38,69,800</u>	<u>2,42,11,575</u>
Deferred tax liabilities, net (B- A)	<u>3,25,67,531</u>	<u>44,77,510</u>



5. Long-term Provisions	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
Gratuity (refer note 36)	-	26,16,657
	-	26,16,657

6. Short-term borrowings	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
Overdraft facility from banks*	-	1,89,24,147
Working capital loan**	13,00,00,000	-
Bill discounting facility from bank***	10,28,88,965	13,67,77,855
	23,28,88,965	15,57,02,002

*Overdraft facility from Citi Bank and State Bank of India carrying interest ranging between 10.2% - 11.25% p.a., computed on a monthly basis on the actual amount utilised, and is repayable on demand.

Facility from Citi Bank Limited is secured by charge on plant and machinery and first pari passu charge by way of equitable mortgage on land and building located at No.1 and Sy No. 5/1 Thalagattapura, Kanakpura Main Road, Bangalore- 560062.

Facility from State Bank of India secured by hypothecation of plant and machinery and pari-passu first charge with Citi Bank by way of equitable mortgage on factory land and building situated at # 1, Talagattapura, Kanakapura Road, Bangalore - 560062.

**The Company has availed working capital demand loan from Citi Bank which carries interest rate at 9.50% per annum and is renewed 60 days from the date of disbursement.

This liability and the related trade receivables were offset in the previous year and have now been disclosed on a gross basis considering that the facility is with recourse to the Company.

***The Company has availed bill discounting facility (with recourse) from State Bank of India which carries interest at 8.10% per annum and is payable within 45 days from the date of discounting of bills.

7. Trade payables	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
Dues to micro and small enterprises (refer note 33)	-	-
Dues to others	9,76,06,106	17,62,10,208
	9,76,06,106	17,62,10,208

8. Other current liabilities	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
Advance from customers	12,480	5,68,551
Salary and wages payables	2,32,34,910	2,77,78,709
Selling commission payable	11,03,810	3,12,98,684
Accrued expenses	78,36,057	46,57,204
Capital creditors	2,53,34,797	4,87,38,607
Interest accrued but not due on borrowings	1,03,907	628
Interest payable on delay in payment of taxes	-	3,21,911
Statutory liabilities	1,41,17,067	84,23,265
Retention money	64,91,323	82,02,610
	7,82,34,351	12,99,90,169

9. Short-term provisions	(Amount in Rs)	
	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Leave encashment	10,39,911	15,70,216
Others		
Provision for income tax, net of advance tax	1,64,69,347	3,09,12,026
Provision for sales return	72,70,911	85,42,598
Provision for discount on sales	4,77,27,051	4,37,44,230
Provision for claims	22,00,000	-
	7,47,07,220	8,47,69,070

The disclosure of provisions movement as required under the provisions of Accounting Standard (AS) -29 on Provisions, contingent liabilities and contingent assets is as follows:-

Particulars	(Amount in Rs)				As at 31 March 2019
	As at 1 April 2018	Additions	Utilised	Reversed	
Provision for sales return (including rate difference)	85,42,598	72,70,911	(52,74,162)	(32,68,436)	72,70,911
Provision for discount on sales	4,37,44,230	4,77,27,051	(4,35,60,603)	(1,83,627)	4,77,27,051
Provision for claims	-	22,00,000	-	-	22,00,000



S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)
10. Property, plant and equipment and intangible assets

Particulars	Gross block			Accumulated depreciation and amortisation			Net block As at 31 March 2019
	As at 1 April 2018	Additions	Deletions	As at 1 April 2018	Charge for the year	Deletions	
Property, plant and equipment							
Land - freehold	19,34,655	-	-	19,34,655	-	-	19,34,655
Land - leasehold	3,73,77,492	-	-	3,73,77,492	3,60,012	-	3,60,23,361
Building	5,26,26,927	44,83,46,941	-	50,09,73,868	1,12,54,995	-	46,74,44,525
Electrical installations	2,27,59,035	12,27,33,857	29,13,757	14,25,79,135	71,48,416	27,55,001	12,29,93,346
Plant and machineries	52,37,07,347	32,62,35,022	68,84,710	84,30,57,659	5,63,56,382	53,13,035	51,83,77,418
Furniture and fixtures	1,02,12,303	1,22,58,936	19,51,703	2,05,19,536	8,15,280	18,23,130	1,31,40,138
Computers	1,55,77,271	62,05,798	80,64,674	1,37,18,395	21,97,030	76,61,440	67,00,552
Office equipment	2,06,61,606	2,90,53,280	48,91,578	4,48,23,308	50,71,064	46,41,686	3,19,37,799
Vehicles	2,06,20,460	46,85,146	30,18,215	2,22,87,391	26,52,423	7,97,065	1,31,24,700
Total	70,54,77,096	94,95,18,980	2,77,24,637	1,62,72,71,439	8,58,55,602	2,29,91,357	1,21,16,76,494
Intangible assets							
Software	1,21,02,162	92,62,775	2,36,478	2,11,28,459	24,59,955	2,24,652	93,54,712
Technical know-how	29,22,759	-	-	29,22,759	-	-	29,22,759
Total	1,50,24,921	92,62,775	2,36,478	2,40,51,218	24,59,955	2,24,652	93,54,712

Particulars	Gross block			Accumulated depreciation and amortisation			Net block As at 31 March 2018
	As at 1 April 2017	Additions	Deletions	As at 1 April 2017	Charge for the year	Deletions	
Property, plant and equipment							
Land - freehold	19,34,655	-	-	19,34,655	-	-	19,34,655
Land - leasehold	3,73,77,492	-	-	3,73,77,492	3,77,014	-	3,63,83,373
Building	5,26,26,927	-	-	5,26,26,927	16,25,327	-	3,03,52,579
Electrical installations	2,27,59,035	-	-	2,27,59,035	9,46,467	-	75,66,661
Plant and machineries	48,04,91,461	4,72,23,274	40,07,388	52,37,07,347	4,12,63,382	14,63,823	25,00,70,453
Furniture and fixtures	96,82,978	5,29,325	-	1,02,12,303	2,06,826	-	18,25,055
Computers	1,37,15,283	18,61,988	-	1,55,77,271	11,80,308	-	30,95,018
Office equipment	1,95,68,419	10,93,187	-	2,06,61,606	24,78,142	-	82,05,475
Vehicles	1,74,36,092	31,84,368	-	2,06,20,460	21,04,824	-	1,33,13,127
Total	65,55,92,342	5,38,92,142	40,07,388	70,54,77,096	5,01,82,290	14,63,823	35,27,46,396
Intangible assets							
Software	1,01,97,673	19,04,489	-	1,21,02,162	6,63,346	-	25,63,718
Technical know-how	29,22,759	-	-	29,22,759	-	-	29,22,759
Total	1,31,20,432	19,04,489	-	1,50,24,921	6,63,346	-	25,63,718



(Amount in Rs)

11. Long-term loans and advances	As at	
	31 March 2019	31 March 2018
<i>Unsecured, considered good</i>		
Capital advances	6,87,48,844	6,96,31,484
Rental and other deposits	87,62,534	1,04,65,852
Balance with government authorities	30,00,000	30,00,000
Advance tax (net of provision for income tax)	5,43,07,036	21,00,360
	13,48,18,414	8,51,97,696

(Amount in Rs)

12. Other non-current assets	As at	
	31 March 2019	31 March 2018
Bank deposits (due to mature after 12 months from reporting date)	1,00,000	1,00,000
Receivable from government authority	1,54,10,574	1,54,10,574
Advance paid to Gratuity (refer note 36)	38,36,118	-
	1,93,46,692	1,55,10,574

(Amount in Rs)

13. Current Investments	As at	
	31 March 2019	31 March 2018
Current investments - at the lower of cost and fair value		
Investment in mutual funds - unquoted		
-Liquid mutual fund (refer note 13.1)	23,16,91,201	38,11,61,078
-Arbitrage mutual fund (refer note 13.2)	31,87,01,920	17,86,46,331
	55,03,93,121	55,98,07,409
Details of the book value and the market value		
Aggregate book value	55,03,93,121	55,98,07,409
Aggregate market value	55,03,93,121	55,98,07,409

13.1 Details of Investment held in liquid mutual fund units

Particulars	As at 31 March 2019		As at 31 March 2018	
	Units	Amount	Units	Amount
	Birla Sun Life Cash Plus	4,05,694	4,06,67,203	83,01,763
ICICI Prudential Money Market Fund	-	-	67,449	67,58,560
ICICI Prudential Liquid Fund	4,01,780	4,02,53,260	-	-
Kotak Floater Short Term	-	-	62,065	6,27,85,844
Axis liquid Fund	20,066	2,00,94,164	97,642	9,77,55,866
Reliance Liquid Fund Treasury Plan	38,354	5,86,56,147	40,855	6,24,92,146
UTI Liquid cash plan	31,626	3,17,32,915	66,867	6,76,85,235
Aditya Birla Sun Life Savings Fund	4,01,753	4,02,87,512	-	-
Total	12,99,273	23,16,91,201	86,36,640	38,11,61,079

13.2 Details of Investment held in arbitrage mutual fund units

Particulars	As at 31 March 2019		As at 31 March 2018	
	Units	Amount	Units	Amount
	Kotak Equity Arbitrage Fund	46,50,682	4,98,01,364	46,50,682
ICICI Prudential Equity Arbitrage Fund	78,85,754	10,74,09,495	74,78,604	10,20,08,907
Reliance Arbitrage Advantage Fund	1,51,97,299	16,14,91,061	25,43,323	2,69,08,610
Total	2,77,33,735	31,87,01,920	1,46,72,609	17,86,46,330

(Amount in Rs)

14. Inventories *	As at	
	31 March 2019	31 March 2018
Raw materials	11,52,67,361	9,26,61,115
Work-in-progress	1,38,25,217	3,69,96,707
Finished goods	10,30,67,808	8,41,93,652
Stores and spares	35,44,806	23,35,848
Goods in transit (raw materials)	1,14,38,122	2,89,74,617
	24,71,43,314	24,51,61,939

*Inventories are valued at lower of cost and net realisable value



(Amount in Rs)

	As at 31 March 2019	As at 31 March 2018
15. Trade receivables		
<i>Unsecured</i>		
Outstanding for a period exceeding six months from the date they became due for payment	14,16,074	72,67,876
Considered good	4,05,615	4,63,335
Considered doubtful	18,21,689	77,31,211
Provision for doubtful debts	4,05,615	4,63,335
	(A) 14,16,074	72,67,876
Other receivables		
Considered good	(B) 45,69,38,568	47,88,32,254
	(A)+(B) 45,83,54,642	48,61,00,130

(Amount in Rs)

	As at 31 March 2019	As at 31 March 2018
16. Cash and bank balances		
<i>Cash and cash equivalents</i>		
Cash on hand	1,93,650	4,19,675
Balances with banks		
on current accounts	1,93,47,506	1,84,53,527
on Exchange earners foreign currency (EEFC) account	60,70,763	32,95,636
on deposit accounts (with original maturity of 3 months or less)	34,00,000	34,00,000
	2,90,11,919	2,55,68,838
<i>Other bank balances</i>		
- fixed deposit with banks with maturity within 12 months from reporting date	-	4,34,357
	-	4,34,357
	2,90,11,919	2,60,03,195

	As at 31 March 2019	As at 31 March 2018
Details of bank deposits		
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'cash and cash equivalents'	34,00,000	34,00,000
Bank deposits due to mature within 12 months from the reporting date included under other bank balances	-	4,34,357
Bank deposits with maturity of more than 12 months from the reporting date included under other non-current asset	1,00,000	1,00,000
	35,00,000	39,34,357

(Amount in Rs)

	As at 31 March 2019	As at 31 March 2018
17. Short-term loans and advances		
<i>Unsecured, considered good</i>		
Other loans and advances		
Advances to employees	9,12,100	4,12,557
Advances for supply of goods and services	1,43,37,022	2,06,82,960
Balances with government authorities	5,71,008	59,41,055
Prepaid expenses	30,41,760	30,83,501
Other deposits	2,06,760	2,16,299
	1,90,68,650	3,03,36,372

(Amount in Rs)

	As at 31 March 2019	As at 31 March 2018
18. Other current assets		
Interest accrued but not due	83,023	68,225
Interest receivable on income tax refund	1,69,436	1,69,436
	2,52,459	2,37,661



(Amount in Rs)

19. Other operating revenues	For the year ended 31 March 2019	For the year ended 31 March 2018
Scrap sales	34,21,213	30,03,180
	34,21,213	30,03,180

(Amount in Rs)

20. Other income	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividend income	2,38,03,913	2,85,86,160
Liabilities no longer required, written-back	20,90,508	6,81,520
Foreign exchange gain, net	84,67,265	-
Interest on other deposit	2,41,508	2,33,484
Interest on bank deposits	1,95,840	26,07,564
Miscellaneous income	3,12,329	3,18,669
Reversal of provision for bad and doubtful debts	57,720	-
	3,51,69,083	3,24,27,397

(Amount in Rs)

21. Cost of materials consumed	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories of raw materials at the beginning of the year	9,26,61,115	8,12,90,538
Add: purchases during the year	97,07,25,295	89,62,85,877
Less: Inventories of raw materials at the end of the year	(11,52,67,361)	(9,26,61,115)
	94,81,19,049	88,49,15,300

(Amount in Rs)

Break-up of cost of materials consumed	For the year ended 31 March 2019	For the year ended 31 March 2018
Base material	48,88,12,826	47,20,06,214
Ink	16,52,07,644	13,02,17,942
Lamination	15,04,30,928	13,65,63,028
Adhesive	7,52,90,588	7,80,52,819
Consumable	6,83,77,063	6,80,75,297
	94,81,19,049	88,49,15,300

(Amount in Rs)

Break-up of inventory- materials	For the year ended 31 March 2019	For the year ended 31 March 2018
Base material	6,20,65,184	5,12,33,332
Ink	3,07,56,812	2,14,30,636
Lamination	1,34,94,375	90,81,949
Adhesive	74,96,791	67,15,819
Consumable	14,54,199	41,99,379
	11,52,67,361	9,26,61,115

Details of imported and indigenous parts consumed during the year

Particulars	For the year ended 31 March 2019	% of total consumption	For the year ended 31 March 2018	% of total consumption
Raw materials				
Imported	31,73,22,621	33%	29,69,86,010	34%
Indigenous	63,07,96,428	67%	58,79,29,290	66%
	94,81,19,049	100%	88,49,15,300	100%



S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)

	(Amount in Rs)	
22. Changes in inventories of finished goods and work-in-progress	For the year ended 31 March 2019	For the year ended 31 March 2018
<i>Opening stock</i>		
- finished goods	8,41,93,652	5,29,63,385
- stores and spares	23,35,848	22,05,414
- work-in-progress	3,69,96,707	2,38,33,969
(A)	<u>12,35,26,207</u>	<u>7,90,02,768</u>
<i>Closing stock</i>		
- finished goods	10,30,67,808	8,41,93,652
- stores and spares	35,44,806	23,35,848
- work-in-progress	1,38,25,217	3,69,96,707
(B)	<u>12,04,37,831</u>	<u>12,35,26,207</u>
(A)-(B)	<u>30,88,376</u>	<u>(4,45,23,439)</u>

	(Amount in Rs)	
23. Employee benefits	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	26,23,92,717	22,10,72,544
Contributions to provident and other funds	2,31,11,772	2,45,10,173
Staff welfare expenses	3,82,46,399	3,15,74,289
	<u>32,37,50,888</u>	<u>27,71,57,006</u>

	(Amount in Rs)	
24. Finance cost	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on borrowings	17,19,307	2,24,105
Interest on bill discounting	84,35,091	77,41,971
	<u>1,01,54,398</u>	<u>79,66,076</u>

	(Amount in Rs)	
25. Other expenses	For the year ended 31 March 2019	For the year ended 31 March 2018
Contract labour charges	13,04,96,889	10,98,94,915
Sales commission	9,86,45,603	12,11,29,485
Power and fuel	5,37,22,499	3,38,25,218
Repairs and maintenance		
- plant and machinery	2,81,53,032	2,39,48,230
- others	77,33,720	64,54,907
Courier and freight	2,40,36,275	2,38,72,396
Legal and professional	2,17,75,020	1,36,41,283
Travel and conveyance	1,52,21,923	92,60,576
Housekeeping charges	1,64,05,754	1,61,57,900
Corporate social responsibility (refer note 35)	1,19,52,137	97,28,902
Security charges	60,02,486	58,05,822
Sales promotion expenses	22,04,319	13,40,773
Rates and taxes	62,36,592	66,81,396
Insurance	43,14,827	42,66,729
Printing and stationery	42,52,295	22,46,542
Bank charges	32,42,436	27,49,487
Communication	32,34,984	24,20,387
Rent	31,94,379	44,79,656
Loss on sale and written off of property, plant and equipment	28,26,218	25,33,395
Bad debts written-off	24,94,995	14,95,206
Donation	1,20,700	1,30,000
Foreign exchange loss, net	-	12,95,582
Miscellaneous expenses	24,29,654	28,06,459
	<u>44,86,96,737</u>	<u>40,61,65,246</u>



		(Amount in Rs)	
		For the year ended 31 March 2019	For the year ended 31 March 2018
26. Contingent liabilities and other commitments			
Particulars			
Claims against the Company not acknowledged as debts in respect of:			
Income tax matter - income-tax demands raised against the erstwhile firm, all of which are under appeal		2,55,282	2,55,282
Other money for which the Company is contingently liable			
Guarantee deposit with banks		1,00,000	5,34,357
Others			
Estimated amount of contracts remaining to be executed on capital account and not provided for		8,00,000	36,31,41,340
27. Auditors' remuneration (included in legal and professional fees, excluding Goods and Service Tax/ Service tax)			
			(Amount in Rs)
Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
As Auditor			
- Statutory audit		20,00,000	15,00,000
- Tax audit		2,00,000	2,00,000
- Reimbursement of expenses		1,01,490	90,374
Total		<u>23,01,490</u>	<u>17,90,374</u>
28. Leases			
The Company is obligated under certain cancellable operating leases for office premises. Total rental expense under such operating leases amounted to Rs 3,194,379 (previous year: Rs 4,479,656) for the year ended 31 March 2019.			
29. Expenditure in foreign currency			
			(Amount in Rs)
Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Travel and conveyance		12,29,216	17,53,898
Repair and maintenance - plant and machinery		29,38,445	3,50,893
Total		<u>41,67,661</u>	<u>21,04,791</u>
30. Earnings in foreign currency			
			(Amount in Rs)
Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Export sales at FOB value		23,29,44,117	19,31,77,303
Total		<u>23,29,44,117</u>	<u>19,31,77,303</u>
31. Value of imports on CIF basis			
			(Amount in Rs)
Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Raw materials		29,21,65,466	24,80,85,838
Stores and spares		47,62,803	45,38,084
Capital goods		5,26,15,771	8,36,28,169
Total		<u>34,95,44,040</u>	<u>33,62,52,091</u>
32. Earning per share (EPS)			
			(Amount in Rs)
Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Profit for the year attributable to equity shareholders		36,49,39,858	47,23,32,251
Weighted average number of equity shares of Rs 10 each used for calculation of basic and diluted profit per share		3,03,00,534	3,00,41,091
Basic and diluted earnings per share		<u>12.04</u>	<u>15.72</u>
The company had issued 437,904 equity shares of Rs 10 each during the FY 17-18, of which Rs 5 was paid up as on 31 March 2018.			
33. Micro, small and medium enterprises:			
The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.			
			(Amount in Rs)
Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
(i) The principal amount remaining unpaid to any supplier as at the end of each accounting year;		-	-
(ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;		-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;		-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the year; and		-	-
(v) 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.		-	-



S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2019 (continued)

34. Segment reporting

The Company is engaged in the manufacturing and selling of self-adhesive labels like automotive dials, overlays, badges and logos for the automotive, electronics and appliances industry and considers such activities to constitute a single business segment of the Company in the context of AS - 17, 'Segment Reporting'. Since the Company comprises a single business segment, disclosures relating to the primary segment have not been presented.

The Company operates only from India, but sells products both in India and overseas. Fixed assets and additions thereto, both, tangible and intangible, are located within India. Information on the Company's geographical segments is as follows:

Particulars	(Amount in Rs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Net sales		
India	2,13,96,09,625	2,06,24,01,215
Overseas	23,29,44,117	19,31,77,303
Segment assets		
India	2,58,32,72,144	2,22,82,26,034
Overseas	9,79,70,115	10,39,42,609
Segment liabilities		
India	51,09,79,738	53,89,64,635
Overseas	50,24,435	1,48,00,980

35. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

a) Gross amount required to be spent by the Company during the year is Rs 9,723,545.

b) Amount spent during the year on:

(Amount in Rs)

Financial Year	2018-19		
	In cash *	Yet to be paid in cash	Total
Particulars			
i. Construction/acquisition of any assets	-	-	-
ii. Purposes other than (i) above	1,19,52,137	-	1,19,52,137

* Represents actual outflow during the year

36. Gratuity

The Company has a gratuity plan for its employees, which is a defined benefit scheme. Every employee who has completed 5 years or more of service is eligible for gratuity on separation, which is computed based on 15 days basic salary (last drawn basic salary) for each completed year of service. The obligation under the scheme is funded by contributions being made towards qualifying insurance policies obtained from SBI Life Insurance Company Limited.

Reconciliation of present value of the obligation and the fair value of the plan assets

The following table sets out the status of the gratuity plan:

(Amount in Rs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Obligations at beginning of the year	4,98,75,133
Service cost	69,03,025	49,81,020
Past service cost	-	36,38,211
Interest cost	37,45,838	22,52,639
Benefits settled	(11,75,592)	(13,41,115)
Actuarial loss recognized for the year	22,40,563	67,88,586
Obligations at year	6,15,88,967	4,98,75,133

(Amount in Rs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Plans assets at beginning of the year, at fair value	4,72,58,476
Expected return on plan assets	42,16,405	29,49,122
Actuarial gain recognized for the year	(24,90,861)	94,677
Contributions	1,76,16,657	1,21,62,007
Benefits settled	(11,75,592)	(13,41,115)
Plans assets at end of the year/ period, at fair value	6,54,25,085	4,72,58,476



36. Gratuity (continued)

Particulars	(Amount in Rs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Fair value of plan assets at the end of the year	6,54,25,085	4,72,58,476
Present value of the defined benefit obligations at the end of the year	6,15,88,967	4,98,75,133
Net assets/(liabilities) recognized in the balance sheet	38,36,118	(26,16,657)
Non-current	(38,36,118)	26,16,657
Gratuity cost		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Service cost	69,03,025	86,19,231
Interest cost	37,45,838	22,52,639
Expected return on plan assets	(42,16,405)	(29,49,122)
Actuarial loss recognized for the year	47,31,423	66,93,909
Net gratuity cost	1,11,63,881	1,46,16,657
Gratuity Assumptions		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount factor	7.61%	7.60%
Estimated rate of return on plan assets	7.60%	7.60%
Salary increase	10.00%	10.00%
Attrition rate	12.00%	12.00%
Retirement age (years)	58	58

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

37. Related parties

(i) Names of related parties and description of relationship with the Company:

Holding company: Evergraph Holdings Pte Ltd, Singapore

Key managerial personnel:

K. A. Joseph Managing Director
Sanjay Thapar Director
Kazi Arif Uz Zaman Director
Vishal Sharma Director

(ii) Related party transactions

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Remuneration to key managerial personnel*		
K. A. Joseph	2,29,68,960	2,05,08,000
Sanjay Thapar	2,17,80,960	1,93,20,000
Total	4,47,49,920	3,98,28,000


*Managerial remuneration does not include cost of retirement benefits such as gratuity and compensated absences since provision for the same are made based on an actuarial valuation carried out for the company as a whole.

38. During the current year, the Company has shifted their production and other facilities to new premises. Due to the relocation of the production and other facilities, Company has incurred significant expenses to the extent of Rs.73,222,917 during the initial phase of production in the new factory. These expenses are non-recurring in nature and significant in size, hence the same has been presented as an exceptional items in the financial statements.


39. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification.

Particulars	Previous year	Current year	Amount
In Balance Sheet	Advance for supply of goods and services	Capital advances	71,30,687

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number:101248W/W-100022


Amrit Bhansali
Partner
Membership number: 065155
Bangalore
Date:20/06/2019

for and on behalf of Board of Directors of
S.J.S. Enterprises Private Limited


K A Joseph
Managing Director
DIN : 00784084
Bangalore
Date:20/06/2019


Kazi Arif Uz Zaman
Director
DIN : 00237331
Bangalore
Date:20/06/2019